

ORDINANCE NO. _____

AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF LEON COUNTY, FLORIDA AUTHORIZING THE ISSUANCE OF NOT EXCEEDING \$21,000,000 CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2003 TO BE ISSUED AS TAX-EXEMPT AND/OR TAXABLE TO PAY THE COSTS OF CERTAIN CAPITAL IMPROVEMENTS; PLEDGING CERTAIN NON-AD VALOREM TAX REVENUES FOR THE PAYMENT OF SAID BONDS; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING FOR CONFLICTS; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF LEON COUNTY, FLORIDA, that:

SECTION 1. AUTHORITY FOR THIS ORDINANCE. This ordinance is enacted pursuant to the provisions of Chapter 125, Florida Statutes, Ordinance No. 98-02 enacted on March 31, 1998, as amended and supplemented, and other applicable provisions of law.

SECTION 2. DEFINITIONS. The following terms in this Ordinance shall have the following meanings unless the text otherwise expressly requires:

"Accreted Value" shall mean of any date of calculation the amount owed as principal and interest on a Capital Appreciation Bond prior to maturity taking into consideration the initial offering price plus accrued interest with interest compounded semi-annually on October 1 and April 1 of each year, with interest commencing the date of delivery of the Capital Appreciation Bonds, as shall be determined by subsequent resolution of the Issuer. The Accreted Value for the first day of a month other than an October or April shall be calculated by straight line interpolation using for purposes of such calculation an assumed period of 180 days intervening between the then next succeeding October 1 or April 1, as the case may be.

"Additional Parity Obligations" shall mean additional obligations issued in compliance with the terms, conditions and limitations contained in this Ordinance and which (i) shall have a lien on the Pledged Revenues equal to that of the Series 1998A Bonds, Series 1998B Bonds, Series 1999 Bonds and Series 2003 Bonds, and (ii) shall be payable from the proceeds of the Pledged Revenues on a parity with the Series 1998A Bonds, Series 1998B Bonds, Series 1999 Bonds and Series 2003 Bonds.

"Amortization Installment" with respect to any Term Bonds, shall mean an amount so designated for mandatory principal installments (for mandatory call or otherwise) payable on any Terms Bonds issued under the provisions of this Ordinance or any subsequent ordinance or resolution authorizing Additional Parity Obligations.

"Average Annual Bond Service Requirement" shall mean, as of each date on which a series of Bonds is issued, the total amount of Bond Service Requirement to become due on all Bonds deemed to be Outstanding immediately after the issuance of such series of Bonds divided by the total number of years for which Bonds are deemed to be Outstanding, except that with respect to any Bonds for which Amortization Installments have been established, the amount of principal coming due on the final maturity date with respect to such Bonds shall be reduced by the aggregate principal amount of such Bonds that are to be redeemed from Amortization Installments to be made in prior Bond Years.

"Bonds" shall mean the Series 1998A Bonds, the Series 1998B Bonds, the Series 1999 Bonds, the Series 2003 Bonds and any Additional Parity Obligations issued hereafter.

"Bond Insurer" shall mean the issuer of a municipal bond insurance policy insuring the Series 2003 Bonds, as shall be determined by subsequent resolution of the Issuer.

"Bond Service Requirement" shall mean, in any Bond Year (or Fiscal Year) (i) the sum of the amount required to be deposited into the Interest Account in such year, (ii) the amount required to be deposited into the Principal Account in such year, if any, and (iii) the amount required to be deposited into the Redemption Account in such year, if any. With respect to Variable Rate Bonds, the interest rate used to calculate the Bond Service Requirement shall be assumed to be the lesser of the 30-year Revenue Bonds Index (published by the Bond Buyer) no more than two weeks prior to the sale of such Variable Rate Bonds or the maximum legal rate.

"Bond Year" shall mean the period commencing on October 2 of each year and ending on the succeeding October 1.

"Capital Appreciation Bonds" shall mean the Bonds that bear interest payable at maturity or upon redemption prior to maturity in the amounts determined by reference to the Accreted Value, all as shall be determined by subsequent ordinance or resolution of the Issuer.

"Chairman" shall mean the Chairman of the Board of County Commissioners of Leon County, Florida.

"Clerk" shall mean the Clerk of the Circuit Court and such term shall include any Deputy Clerk.

"Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate executed by the Issuer and dated the date of issuance and delivery of the Series 2003 Bonds, as it may be amended from time to time in accordance with the terms thereof.

"Current Interest Bonds" shall mean the Bonds that bear interest payable semi-annually on each October 1 and April 1.

"Federal Securities" shall mean direct obligations of, or obligations of the principal of and interest on which are unconditionally guaranteed by the United States of America, which are not redeemable prior to maturity at the option of the obligor.

"Guaranteed Entitlement Revenues" shall mean the guaranteed entitlement revenues received by the Issuer pursuant to Chapter 218, Part II, Florida Statutes, and defined therein as the "Guaranteed Entitlement."

"Holder" or "Holder of Bonds" or any similar term shall mean any person who shall be the registered owner of any outstanding Bonds.

"Issuer" shall mean Leon County, Florida.

"Local Government Half-Cent Sales Tax" shall mean the local government half-cent sales tax revenues received by the Issuer pursuant to Chapter 218, Part VI, Florida Statutes.

"Maximum Bond Service Requirement" shall mean, as of any particular date of calculation, the greatest amount of aggregate Bond Service Requirement for the then current or any future Bond Year, except that with respect to any Bonds for which Amortization Installments have been established, the amount of principal coming due on the final maturity date with respect to such Bonds shall be reduced by the aggregate principal amount of such Bonds that are to be redeemed from Amortization Installments which were to be made in prior Bond Years.

"Ordinance" shall mean this Ordinance as from time to time amended or supplemented in accordance with the terms hereof.

"Original Ordinance" shall mean Ordinance No. 84-50 enacted October 16, 1984, as amended and supplemented, from time to time.

"Outstanding" or "Bonds Outstanding" shall mean all Bonds which have been issued pursuant to this Ordinance, except:

(1) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;

(2) Bonds for the payment or redemption of which cash funds or acquired obligations or any combination thereof shall have theretofore irrevocably set aside in a special account with an escrow agent (whether upon or prior to the maturity or redemption date of any such Bonds) in an amount which, together with earnings on such acquired obligations, will be sufficient to pay the principal of and interest on such Bonds at maturity or upon their earlier redemption; provided that, if such Bonds are to be redeemed before the maturity thereof, notice of such redemption shall have been given according to the requirements of this Ordinance or irrevocable instructions directing the timely publication of such notice and directing the payment of the principal of and interest on all Bonds at such redemption dates shall have been given to the escrow agent; and

(3) Bonds which are deemed paid pursuant to this Ordinance.

"Parity Bonds" shall mean the Series 1998A Bonds, the Series 1998B Bonds and the Series 1999 Bonds.

"Paying Agent" shall mean any authorized depository designated by subsequent resolution of the Issuer to serve as a paying agent under this Ordinance.

"Pledged Revenues" shall mean collectively, the Local Government Half-Cent Sales Tax, the Guaranteed Entitlement Revenues and the Second Guaranteed Entitlement, as defined herein.

"Prior Bonds" shall mean the Series 1993 Bonds and the Series 1997 Bonds.

"Project" shall mean collectively, the Series 2003A Project and the Series 2003B Project.

"Registrar" shall mean the trust company or bank with trust powers appointed from time to time by subsequent resolution of the Issuer to serve under this Ordinance.

"Reserve Requirement" shall mean, in any year, the lesser of (i) ten percent (10%) of the proceeds of the Bonds, (ii) the Maximum Bond Service Requirement on the Bonds becoming due in any ensuing Bond Year, or (iii) 125% of the Average Annual Bond Service Requirement on Outstanding Bonds becoming due in any Bond Year.

"Second Guaranteed Entitlement Revenues" shall mean the second guaranteed entitlement revenues received by the Issuer pursuant to Chapter 218, Part II, and defined therein as the "Second Guaranteed Entitlement."

"Series 1993 Bonds" shall mean the remaining outstanding Bonds of the Issuer's \$12,680,000 Refunding Revenue Bonds, Series 1993.

"Series 1997 Bonds" shall mean the remaining outstanding Bonds of the Issuer's \$7,255,000 Capital Improvement Revenue Bonds, Series 1997.

"Series 1998A Bonds" shall mean the outstanding Bonds of the Issuer's \$9,710,000 Capital Improvement Revenue Bonds, Series 1998A.

"Series 1998B Bonds" shall mean the outstanding Bonds of the Issuer's \$28,395,000 Capital Improvement Revenue Bonds, Series 1998B.

"Series 1999 Bonds" shall mean the outstanding Bonds of Issuer's \$29,900,000 Capital Improvement Revenue Bonds, Series 1999.

"Series 2003 Bonds" shall mean collectively, the Series 2003A Bonds and the Series 2003B Bonds authorized to be issued pursuant to this Ordinance in the aggregate principal amount of \$21,000,000.

"Series 2003A Bonds" shall mean the Issuer's Capital Improvement Revenue Bonds, Series 2003A authorized pursuant to this Ordinance.

"Series 2003B Bonds" shall mean the Issuer's Taxable Capital Improvement Revenue Bonds, Series 2003B authorized pursuant to this Ordinance.

"Series 2003A Project" shall mean the acquisition of a building to be owned by the Issuer, commonly known as the Bank of America building, construction of improvements to such building, construction of improvements to the Issuer's courthouse, parking garage and other capital projects permitted by law.

"Series 2003B Project" shall mean the acquisition of a building to be owned by the Issuer, commonly known as the Bank of America building, construction of improvements to such building and other capital projects permitted by law.

"Term Bonds" shall mean the Bonds which are subject to Amortization Installments, and are designated as Term Bonds in a subsequent ordinance or resolution of the Issuer.

SECTION 3. FINDINGS. It is hereby ascertained, determined and declared that:

(a) The Issuer has previously issued its Series 1998A Bonds, Series 1998B Bonds and Series 1999 Bonds payable from the Pledged Revenues and its Series 1993 Bonds and Series 1997 Bonds payable from Local Government Half-Cent Sales Tax and Guaranteed Entitlement, as well as certain other non-ad valorem revenue of the Issuer.

(b) The Issuer now deems it necessary and in its best interest to provide for the issuance of the Series 2003 Bonds.

(c) The Pledged Revenues are not now pledged except for the payment of the principal and interest on the outstanding Prior Bonds (with respect to the Local Government Half-Cent Sales Tax and Guaranteed Entitlement only) and the Parity Bonds.

(d) The lien of the Series 2003 Bonds on the Pledged Revenues herein authorized shall be junior and subordinate to the lien on the Prior Bonds on the Local Government Half-Cent Sales Tax and Guaranteed Entitlement, and equal and ratable to the lien on the Parity Bonds.

(e) The estimated Pledged Revenues will be sufficient to pay all of the principal of and interest on the Series 2003 Bonds and to make all required reserve or other payments required by the Ordinance.

(f) The principal of and interest on the Series 2003 Bonds and all required reserve payments shall be payable solely from the Pledged Revenues as herein provided. The Issuer shall never be required to levy ad valorem taxes on any property to pay the principal of and interest on the Series 2003 Bonds herein authorized or to make any other payments provided for herein. The Series 2003 Bonds shall not constitute a lien upon any properties owned by or located within the boundaries of the Issuer, except for the Pledged Revenues.

SECTION 4. ORDINANCE TO CONSTITUTE CONTRACT. In consideration of the acceptance of the Series 2003 Bonds authorized to be issued hereunder by those who shall hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Holders. The covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all Series 2003 Bonds, all of which shall be of equal rank and without preference, priority or distinction of any of the Series 2003 Bonds over any other thereof, except as expressly provided therein and herein.

SECTION 5. AUTHORIZATION OF SERIES 2003 BONDS. Subject and pursuant to the provisions hereof, obligations of the Issuer to be known as "Capital Improvement Revenue Bonds, Series 2003A" and "Taxable Capital Improvement Revenue Bonds, Series 2003B" are hereby authorized in the aggregate principal amount of not exceeding \$21,000,000.

SECTION 6. DESCRIPTION OF SERIES 2003 BONDS. The Series 2003 Bonds shall be issued in fully registered form; may be Capital Appreciation Bonds and/or Current Interest Bonds; shall be numbered consecutively from R-1 upward if Current Interest Bonds; shall be numbered from CABR-1 upward if Capital Appreciation Bonds; shall be in the denomination of \$5,000 each, or integral multiples thereof as of the Current Interest Bonds and in \$5,000 maturity amounts for the Capital Appreciation Bonds or in \$5,000 multiples thereof; shall bear interest at such rate or rates not exceeding the maximum rate allowed by Florida law, including variable rates, the annual rate or rates to be determined by the governing body of the issuer prior to or upon the sale of the Series 2003 Bonds; such interest to be payable semi-annually at such times as are fixed by resolution of the Issuer if Current Interest Bonds, and to be payable at maturity if Capital Appreciation Bonds; shall mature annually on such date in such years and amounts as will be fixed by the Issuer prior to or upon the sale of the Series 2003 Bonds and may be serial and/or Term Bonds.

Each Current Interest Bond shall bear interest from the interest payment date next preceding the date on which it is authenticated, unless authenticated on an interest payment date, in which case it shall bear interest from such interest payment date, or, unless authenticated prior to the first interest payment date, in which case it shall bear interest from its date; provided, however, that if at the time of authentication interest is in default, such Current Interest Bond shall bear interest from the date to which interest shall have been paid.

The Capital Appreciation Bonds shall bear interest only at maturity or upon redemption prior to maturity in the amount determined by reference to the Accreted Value.

A book-entry-only system of registration is hereby authorized for the Series 2003 Bonds. So long as the Issuer shall maintain a book-entry-only system with respect to the Series 2003 Bonds, the following provisions shall apply:

The Series 2003 Bonds shall initially be issued in the name of Cede & Co. as nominee for the Depository Trust Company ("DTC"), which will act as securities depository for the Series 2003 Bonds and so long as the Series 2003 Bonds are held in book-entry-only form, Cede & Co. shall be considered the registered owner for all purposes hereof. On original issue, the Series 2003 Bonds shall be deposited with DTC, which shall be responsible for maintaining a book-entry-only system for recording the ownership interests of its participants ("DTC Participants"), and other institutions who clear through or maintain a custodial relationship with DTC Participants ("Indirect Participants"). The DTC Participants and Indirect Participants will be responsible for maintaining records with respect to the beneficial ownership interests of individual purchasers of the Bonds ("Beneficial Owners").

Principal and interest prior to and at maturity shall be payable directly to Cede & Co., in care of DTC. Disbursal of such amounts to DTC Participants shall be the responsibility of DTC. Payments to Indirect Participants shall be the responsibility of DTC Participants, and payments by DTC Participants and Indirect Participants to Beneficial Owners shall be the responsibility of DTC Participants and Indirect Participants and not of DTC, the Paying Agent or the Issuer.

The Series 2003 Bonds shall initially be issued in the form of one fully registered bond for each maturity. Individuals may purchase beneficial interests in the amount of \$5,000 or integral multiples thereof in book-entry-only form, without certificated Bonds, through the DTC Participants and Indirect Participants.

DURING THE PERIOD FOR WHICH CEDE & CO. IS REGISTERED OWNER OF THE SERIES 2003 BONDS, ANY NOTICE TO BE PROVIDED TO ANY REGISTERED OWNER WILL BE PROVIDED TO CEDE & CO. DTC SHALL BE RESPONSIBLE FOR NOTICE TO DTC PARTICIPANTS AND DTC PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICE TO INDIRECT PARTICIPANTS, AND DTC PARTICIPANTS AND INDIRECT PARTICIPANTS SHALL BE RESPONSIBLE FOR NOTICE TO BENEFICIAL OWNERS.

The Issuer has entered into a customary letter of representations with DTC providing for such a book-entry-only system. Such agreement may be terminated at any time by either DTC or the Issuer. In the event of such termination, the Issuer shall select another securities depository or discontinue such book-entry-only system. If the Issuer does not replace DTC, the Registrar will register and deliver to the Beneficial Owners replacement Bonds in the form of fully registered Bonds in denominations of \$5,000 or integral multiples thereof, in accordance with instructions from Cede & Co.

SECTION 7. EXECUTION OF SERIES 2003 BONDS. The Series 2003 Bonds shall be signed by, or bear the facsimile signature of, the Chairman or Vice Chairman of the Board of

County Commissioners and shall be signed by, or bear the facsimile signature of, the Clerk and a facsimile of the official seal of the Issuer shall be imprinted on the Series 2003 Bonds.

In case any officer whose signature or a facsimile of whose signature shall appear on any Series 2003 Bonds shall cease to be such officer before the delivery of such Series 2003 Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if he had remained in office until such delivery. Any Series 2003 Bond may bear the facsimile signature of or may be signed by such persons who, at the actual time of the execution of such Series 2003 Bond, shall be the proper officers to sign such Series 2003 Bond although at the date of such Series 2003 Bond such persons may not have been such officers.

SECTION 8. PROVISIONS FOR REDEMPTION. The Series 2003 Bonds shall be subject to redemption prior to their maturity, at the option of the Issuer, at such times and in such manner as shall be fixed by resolution of the Issuer prior to or at the time of sale of the Series 2003 Bonds.

Notice of such redemption shall, at least thirty (30) days prior to the redemption date, be filed with the Registrar; and mailed, postage prepaid, to all Holders of Series 2003 Bonds to be redeemed at their addresses as they appear on the registration books hereinbefore provided for, but failure to mail such notice to one or more Holders of Series 2003 Bonds shall not affect the validity of the proceedings for such redemption with respect to Holders of Series 2003 Bonds to which notice was duly mailed hereunder. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Series 2003 Bonds of one maturity are to be called, the distinctive numbers of such Series 2003 Bonds to be redeemed and in the case of Series 2003 Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed.

Failure to mail such notice of redemption shall not affect the validity of any proceedings for the redemption of the Series 2003 Bonds with respect to the Holders of Series 2003 Bonds to which notice was duly mailed.

Notice having been mailed to the Holders of Series 2003 Bonds in the manner and under the conditions provided herein, the Series 2003 Bonds or portion of the Series 2003 Bonds so called for redemption will, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Series 2003 Bonds or portions of the Series 2003 Bonds on such date. On the date so designated for redemption, notice having been mailed and filed and moneys for payment of the redemption price being held in separate accounts in trust for the Holders of the Series 2003 Bonds or portions thereof to be redeemed, all as provided herein, interest on the Series 2003 Bonds or portions of the Series 2003 Bonds so called for redemption will cease to accrue, such Series 2003 Bonds and portions of the Series 2003 Bonds will cease to be entitled to any lien, benefit, or security hereunder, and the Holders of such Series 2003 Bonds or portions of the Series 2003 Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof.

SECTION 9. FORM OF SERIES 2003 BONDS. The text of the Series 2003 Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized and permitted by this Ordinance or by any subsequent ordinance or resolution adopted prior to the issuance thereof:

[Remainder of page intentionally left blank.]

[FORM OF CURRENT INTEREST BOND]

No. R-

\$

UNITED STATES OF AMERICA
STATE OF FLORIDA
COUNTY OF LEON
[TAXABLE] CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2003[A][B]

KNOW ALL MEN BY THESE PRESENTS that Leon County, Florida (hereinafter called "County"), for value received, hereby promises to pay to the order of _____, or registered assigns, as herein provided, on the _____ day of _____, upon the presentation and surrender hereof at the principal corporate trust office of _____, in the City of _____, Florida (the "Registrar"), from the special funds hereinafter mentioned, the principal sum of _____ DOLLARS in any coin or currency of the United States of America which on the date of payment thereof is legal tender for the payment of public and private debts, and to pay, solely from said sources, to the registered owner hereof by check mailed to the registered owner at his address as it appears on the Bond registration books of the County, interest on said principal sum on each April 1 and October 1 commencing October 1, 2003 from the interest payment date next preceding the date of registration and authentication of this Bond, unless this Bond is registered and authenticated as of an interest payment date, in which case it shall bear interest from said interest payment date, or unless this Bond is registered and authenticated prior to _____, in which event this Bond shall bear interest from _____.

The Bonds of this issue shall be subject to redemption prior to their maturity at the option of the County.

(Insert Optional or Mandatory Redemption Provisions)

Notice of such redemption shall be given in the manner required by the Ordinance described below.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of \$_____ of like date, tenor and effect, except as to number, maturity and interest rate, issued to finance the cost of [acquisition of a building, construction and improvements to such building, construction of improvements to the County's courthouse, parking garage and other capital projects permitted by law in Leon County, Florida] [acquisition of a building, construction of improvements to such building and other capital projects permitted by law], (the "Project") and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter 125, Florida Statutes, Ordinance No. 98-02 duly enacted on March 31, 1998, as amended and supplemented, and Ordinance No. _____ duly enacted on _____, 2003 (hereinafter called "Ordinance"), and is subject to all the terms and conditions of such Ordinance.

This Bond is payable solely from and secured by a lien upon and pledge of the Pledged Revenues, as defined in the Ordinance, in the manner provided in the Ordinance. It is provided in the Ordinance that the lien on the Bonds on the Local Government Half-Cent Sales Tax and Guaranteed Entitlement included in the Pledged Revenues is junior and subordinate to the lien thereon of the Prior Bonds and the lien on the Bonds on the Pledged Revenues is equal and ratable to the lien on the Parity Bonds on the Pledged Revenues, all as defined in the Ordinance.

[The Series of Bonds of which this Bond is a part includes \$_____ aggregate principal amount of Bonds as to which interest is payable semi-annually. Such Bonds are referred to herein and in the Ordinance as "Current Interest Bonds." The Series of Bonds of which this Bond is a part also includes \$_____ aggregate principal amount of Bonds as to which interest is payable only at maturity or upon redemption prior to maturity. Such Bonds are referred to herein and in the Ordinance as "Capital Appreciation Bonds."]

This Bond does not constitute a general indebtedness of the County within the meaning of any constitutional, statutory or charter provision or limitation, and it is expressly agreed by the Holder of this Bond that such Bondholder shall never have the right to require or compel the exercise of the ad valorem taxing power of the County or taxation of any real or personal property therein for the payment of the principal of and interest on this bond or the making of any Debt Service Fund, reserve or other payments provided for in the Ordinance.

It is further agreed between the County and the Holder of this Bond that this Bond and the indebtedness evidenced thereby shall not constitute a lien upon any property of or in the County, but shall constitute a lien only on the Pledged Revenues all in the manner provided in the Ordinance.

The County in the Ordinance has covenanted with and for the benefit of the holders of the Bonds of this issue (i) that it will take all actions required to insure receipt of the Pledged Revenues, as defined in the Ordinance, (ii) that the pledge and covenants in the Ordinance constitute a contract between the County and the holders of the Bonds of this issue not subject to repeal, impairment or modification by the County or the Legislature of the State of Florida. The County has made certain other covenants for the benefit of the holders of the Bonds of this issue, for the terms of which reference is made to the Ordinance.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, and that the issuance of the Bonds of this issue does not violate any constitutional, statutory, or charter limitation or provision.

This Bond is and has all the qualities and incidents of a negotiable instrument under Article 8 of the Uniform Commercial Code, the State of Florida, Chapter 678, Florida Statutes.

The transfer of this Bond is registrable by the Bondholder hereof in person or by his attorney or legal representative at the principal corporate trust office of the Registrar but only in the manner and subject to the conditions provided in the Ordinance and upon surrender and cancellation of this Bond.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Ordinance until it shall have been authenticated by the execution by the Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, Leon County, Florida, has issued this Bond and has caused the same to be signed by the Chairman [or Vice Chairman] of the Board of County Commissioners and countersigned and attested to by the Clerk [or Deputy Clerk], (the signatures of the Chairman or Vice Chairman and the Clerk or Deputy Clerk being authorized to be facsimile of such officers' signatures) and its seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the _____ day of _____, 2003.

LEON COUNTY, FLORIDA

(SEAL)

(manual or facsimile) _____
Chairman [or Vice Chairman]

ATTESTED AND COUNTERSIGNED:

(manual or facsimile) _____
Clerk [or Deputy Clerk]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds issued under the provisions of the within mentioned Ordinance.

Registrar, as Authenticating Agent

Date of Authentication:

_____ By (manual signature)
Authorized Officer

ASSIGNMENT AND TRANSFER

For value received the undersigned hereby sells, assigns and transfers unto _____
(Please insert Social Security or other identifying number of transferee) _____ the
attached Bond of Leon County, Florida, and does hereby constitute and appoint
_____, attorney, to transfer the said Bond on the books kept for
registration thereof, with full power of substitution in the premises.

Date _____

Signature Guaranteed by

[member firm of the New York Stock
Exchange or a commercial bank or a
trust company.]

By: (manual signature)

NOTICE: No transfer will be registered and no new Bonds will be issued in the name of the Transferee, unless the signature to this assignment corresponds with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever and the Social Security or Federal Employer Identification Number of the Transferee as supplied.

[BOND COUNSEL OPINION]
[END OF CURRENT INTEREST BOND FORM]

[FORM OF CAPITAL APPRECIATION BONDS]

No. CABR-
Bond Date: _____

Maturity Amount:
\$ _____

Principal Value
at Issuance:
\$ _____
per
\$5,000 Maturity Amount

No. R- _____

\$

UNITED STATES OF AMERICA
STATE OF FLORIDA
COUNTY OF LEON

[TAXABLE] CAPITAL IMPROVEMENT REVENUE BONDS, SERIES 2003[A][B]

KNOW ALL MEN BY THESE PRESENTS that Leon County, Florida (hereinafter called "County"), for value received, hereby promises to pay to the order of _____, or registered assigns, as herein provided, on the ____ day of _____, upon the presentation and surrender hereof at the principal corporate trust office of _____, in the City of _____, Florida (the "Registrar"), from the special funds hereinafter mentioned, the Maturity Amount specified above on the Maturity Date specified above, or the applicable Accreted Value (as reflected in the Schedule of Accreted Values set forth herein) if redeemed prior thereto as hereinafter provided.

The Bonds of this issue shall be subject to redemption prior to their maturity at the option of the County.

(Insert Optional or Mandatory Redemption Provisions)

Notice of such redemption shall be given in the manner required by the Ordinance described below.

This Bond is one of an authorized issue of Bonds in the aggregate principal amount of \$ _____ of like date, tenor and effect, except as to number, maturity and interest rate, issued to finance the cost of [acquisition of a building, construction and improvements to such building, construction of improvements to the County's courthouse, parking garage and other capital projects permitted by law in Leon County, Florida,] [acquisition of a building, construction of improvements to such building and other capital projects permitted by law] (the "Project") and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Chapter 125, Florida Statutes, Ordinance No. 98-02 duly enacted on March 31, 1998, as amended and supplemented, and Ordinance No. _____ duly enacted by

the County on _____, 2003 (hereinafter called "Ordinance"), and is subject to all the terms and conditions of such Ordinance.

This Bond is payable solely from and secured by a lien upon and pledge of the Pledged Revenues, as defined in the Ordinance, in the manner provided in the Ordinance. It is provided in the Ordinance that the lien on the Bonds on the Local Government Half-Cent Sales Tax and Guaranteed Entitlement included in the Pledged Revenues is junior and subordinate to the lien thereon of the Prior Bonds and the lien on the Bonds on the Pledged Revenues is equal and ratable to the lien on the Parity Bonds on the Pledged Revenues, all as defined in the Ordinance.

[The Series of Bonds of which this Bond is a part includes \$_____ aggregate principal amount of Bonds as to which interest is payable semi-annually. Such Bonds are referred to herein and in the Ordinance as "Current Interest Bonds." The Series of Bonds of which this Bond is a part also includes \$_____ aggregate principal amount of Bonds as to which interest is payable only at maturity or upon redemption prior to maturity. Such Bonds are referred to herein and in the Ordinance as "Capital Appreciation Bonds."]

This Bond does not constitute a general indebtedness of the County within the meaning of any constitutional, statutory or charter provision or limitation, and it is expressly agreed by the Holder of this Bond that such Bondholder shall never have the right to require or compel the exercise of the ad valorem taxing power of the County or taxation of any reason or personal property therein for the payment of the principal of and interest on this Bond or the making of any Debt Service Fund, reserve or other payments provided for in the Ordinance.

It is further agreed between the County and the Holder of this Bond that this Bond and the indebtedness evidenced thereby shall not constitute a lien upon any property of or in the County, but shall constitute a lien only on the Pledged Revenues all in the manner provided in the Ordinance.

The County in the Ordinance has covenanted with and for the benefit of the holders of the Bonds of this issue (i) that it will take all actions required to insure receipt of the Pledged Revenues, as defined in the Ordinance, and (ii) that the pledge and covenants in the Ordinance constitute a contract between the County and the holders of the Bonds of this issue not subject to repeal, impairment or modification by the County or the Legislature of the State of Florida. The County has made certain other covenants for the benefit of the holders of the Bonds of this issue, for the terms of which reference is made to the Ordinance.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen and to be performed precedent to and in the issuance of this Bond exist, have happened and have been performed in regular and due form and time as required by the laws and Constitution of the State of Florida applicable thereto, and that the issuance of the Bonds of this issue does not take any constitutional, statutory, or charter limitation or decision.

This Bond is and has all the qualities and incidents of a negotiable instrument under Article 8 of the Uniform Commercial Code, the State of Florida, Chapter 678, Florida Statutes.

The transfer of this Bond is registrable by the bondholder hereof in person or by his attorney or legal representative at the principal corporate trust office of the Registrar but only in the manner and subject to the conditions provided in the Ordinance and upon surrender and cancellation of this Bond.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Ordinance until it shall have been authenticated by the execution by the Registrar of the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, Leon County, Florida, has issued this Bond and has caused the same to be signed by the Chairman [or Vice Chairman] of the Board of County Commissioners and countersigned and attested to by the Clerk [or Deputy Clerk], (the signatures of the Chairman or Vice Chairman and the Clerk or Deputy Clerk being authorized to be facsimile of such officers' signatures) and its seal or a facsimile thereof to be affixed, impressed, imprinted, lithographed or reproduced hereon, all as of the ____ day of _____, ____.

LEON COUNTY, FLORIDA

(manual or facsimile)
Chairman [or Vice Chairman]

(SEAL)

ATTESTED AND COUNTERSIGNED:

(manual or facsimile)
Clerk [or Deputy Clerk]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds issued under the provisions of the within mentioned Ordinance.

Registrar, as Authenticating Agent

Date of Authentication:

_____ By: _____ (manual signature)
Authorized Officer

ASSIGNMENT AND TRANSFER

For value received the undersigned hereby sells, assigns and transfers unto _____ (Transferee) _____ the attached Bond of Leon County, Florida, and does hereby constitute and appoint _____, attorney, to transfer the said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed by

[Member firm of the New York Stock
Exchange or a commercial bank or a
trust company.]

By: _____

Title: _____

NOTICE: No transfer will be registered and no New Bonds will be issued in the name of the Transferee, unless the signature to this assignment corresponds with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification Number of the Transferee is supplied.

[Attach Schedule of Accreted Values]
[Bond Counsel Opinion]

[END OF CAPITAL APPRECIATION BOND FORM]

SECTION 10. APPLICATION OF PROVISIONS OF ORDINANCE NO. 98-02. The Series 2003 Bonds, herein authorized, shall for all purposes (except as herein expressly provided) be considered to be Additional Parity Obligations issued under the authority of Ordinance No. 98-02, as amended and supplemented, and shall be entitled to all the protection and security provided therein for the Parity Bonds and shall be in all respects entitled to the same security, rights and privileges enjoyed by the Parity Bonds.

The covenants and pledges contained in Ordinance No. 98-02 shall be applicable to the Series 2003 Bonds herein authorized in like manner as applicable to the Parity Bonds. The principal of and interest on the Series 2003 Bonds herein authorized shall be payable from the Debt Service Fund established in Ordinance No. 98-02 on a parity with the Parity Bonds and payments shall be made into such Debt Service Fund by the Issuer in amounts fully sufficient to pay the principal of and interest on the Parity Bonds and the Series 2003 Bonds herein authorized as such principal and interest become due.

SECTION 11. APPLICATION OF SERIES 2003 BOND PROCEEDS. (a) The proceeds, including accrued interest and premium, if any, received from the sale of any or all of the Series 2003A Bonds shall be applied by the Issuer simultaneously with the delivery of such Series 2003A Bonds to the purchaser thereof, as follows:

A. The accrued interest shall be deposited in the Interest Account in the Debt Service Fund and shall be used only for the purpose of paying interest becoming due on the Series 2003A Bonds.

B. Unless provided from other funds of the Issuer on the date of issuance of the Series 2003A Bonds, or unless provided for through the purchase of municipal bond insurance, a surety bond or other credit facility, a sum sufficient, with other funds on deposit in the Reserve Fund, to equal the Reserve Requirement shall be deposited in the Reserve Fund, and shall be used only for the purposes provided therefore.

C. The balance of the Series 2003A proceeds shall be deposited in the Construction Fund. The Issuer covenants and agrees to establish a separate fund in a bank or trust company in the State, which is eligible under the laws of the State to receive funds of the Issuer, to be known as the "Leon County Capital Improvement Revenue Bonds, Series 2003A Construction Fund," (hereinafter referred to as the "Series 2003A Construction Fund") which shall be used only for the payment of the cost of the Series 2003A Project. Moneys in the Series 2003A Construction Fund until applied in payment of any item of the cost of the Series 2003A Project, shall be held in trust by the Issuer and shall be subject to the lien and charge in favor of the Holders of the Series 2003A Bonds and for the further security of the Holders.

D. To the extent not paid by the original purchaser of the Series 2003A Bonds, the Issuer shall pay all costs and expenses in connection with the issuance, sale and delivery of the Series 2003A Bonds.

(b) The proceeds, including accrued interest and premium, if any, received from the sale of any or all of the Series 2003B Bonds shall be applied by the Issuer simultaneously with the delivery of such Series 2003B Bonds to the purchaser thereof, as follows:

A. The accrued interest shall be deposited in the Interest Account in the Debt Service Fund and shall be used only for the purpose of paying interest becoming due on the Series 2003B Bonds.

B. Unless provided from other funds of the Issuer on the date of issuance of the Series 2003B Bonds, or unless provided for through the purchase of municipal bond insurance, a surety bond or other credit facility, a sum sufficient, with other funds on deposit in the Reserve Fund, to equal the Reserve Requirement shall be deposited in the Reserve Fund, and shall be used only for the purposes provided therefore.

C. The balance of the Series 2003B proceeds shall be deposited in the Construction Fund. The Issuer covenants and agrees to establish a separate fund in a bank or trust company in the State, which is eligible under the laws of the State to receive funds of the Issuer, to be known as the "Leon County Capital Improvement Revenue Bonds, Series 2003B Construction Fund," (hereinafter referred to as the "Series 2003B Construction Fund") which shall be used only for the payment of the cost of the Series 2003B Project. Moneys in the Series 2003B Construction Fund until applied in payment of any item of the cost of the Series 2003B Project, shall be held in trust by the Issuer and shall be subject to the lien and charge in favor of the Holders of the Series 2003B Bonds and for the further security of the Holders.

D. To the extent not paid by the original purchaser of the Series 2003B Bonds, the Issuer shall pay all costs and expenses in connection with the issuance, sale and delivery of the Series 2003B Bonds.

SECTION 12. SPECIAL OBLIGATIONS OF ISSUER. The Series 2003 Bonds shall not be or constitute general obligations or indebtedness of the Issuer as "bonds" within the meaning of the Constitution of the State of Florida, but shall be payable solely from and secured by a lien upon and a pledge of the Pledged Revenues junior and subordinate to the lien thereon (with respect to the Local Government Half-Cent Sales Tax and Guaranteed Entitlement) of the Prior Bonds and equal and ratable to the lien thereon of the Parity Bonds, as herein provided. No Holder or Holders of any Series 2003 Bonds issued hereunder shall ever have the right to compel the exercise of the ad valorem taxing power of the Issuer or taxation in any form of any property therein, or to compel the Issuer to pay such principal and interest from any other funds of the Issuer except the Pledged Revenues.

The payment of the principal of and interest on the Series 2003 Bonds shall be secured forthwith equally and ratably by, and the Issuer hereby grants to the Series 2003 Bondholder an irrevocable lien on the Pledged Revenues, junior and subordinate to the lien thereon of the Prior Bonds (with respect to the Local Government Half-Cent Sales Tax and Guaranteed Entitlement) and equal and ratable to the lien thereon of the Parity Bonds. The Issuer does irrevocably pledge such Pledged Revenues to the payment of the principal of and interest on the Series 2003 Bonds, for the reserves therefor and for all other required payments. Such amounts hereby pledged shall

immediately be subject to the lien of this pledge without any further physical delivery thereof or any further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer, irrespective of whether such parties have notice thereof.

SECTION 13. COVENANTS OF THE ISSUER. (A) The provisions of Sections 14(A) and (B) of Ordinance No. 98-02 shall apply as though fully restated herein.

(B) **ISSUANCE OF ADDITIONAL PARITY OBLIGATIONS.** No Additional Parity Obligations shall be issued after the issuance of the Series 2003 Bonds herein authorized, except upon the conditions and in the manner hereinafter provided:

(1) There shall have been obtained and filed with the Issuer a certificate of the finance officer of the Issuer stating: (a) the amount of the Pledged Revenues received by the Issuer for the fiscal year immediately preceding the date of issuance of such Additional Parity Obligations or for any consecutive twelve (12) months out of the thirty (30) months immediately preceding the date of issuance of the proposed Additional Parity Obligations with respect to which such certificate is made; (b) that the aggregate proceeds of the Pledged Revenues for such preceding fiscal year or for any consecutive twelve (12) months out of the thirty (30) months immediately preceding the date of issuance of the proposed Additional Parity Obligations equals at least one hundred thirty-five percent (135%) of the Maximum Bond Service Requirement computed on a basis which includes both (i) all Bonds then outstanding and (ii) the Additional Parity Obligations with respect to which such certificate is made.

(2) The Issuer shall not be in default in the carrying out of any of the obligations assumed under this Ordinance and no event of default shall have occurred under this Ordinance and shall be continuing, and all payments required by this Ordinance to be made into the funds and accounts established hereunder shall have been made to the full extent required.

(3) The document authorizing the issuance of the Additional Parity Obligations shall recite that all of the covenants contained herein will be applicable to such Additional Parity Obligations.

(C) **ISSUANCE OF OTHER OBLIGATIONS.** The Issuer hereby covenants and agrees that it will not issue any further debt pursuant to the Original Ordinance, whose lien is equal and ratable with the Prior Bonds and whose lien has priority over the Bonds. Any obligations of the Issuer, other than the Bonds, which are payable from the Pledged Revenues shall contain an express statement that such obligations are junior and subordinate in all respects to the Bonds as to the lien on and source and security for payment from such Pledged Revenues.

(D) **USE OF PLEDGED REVENUES FOR PRIOR BONDS.** The Issuer hereby covenants and agrees that for so long as any of the Prior Bonds are Outstanding, the Issuer will apply the Pledged Revenues as defined in the Original Ordinance (except the Guaranteed Entitlement Revenues and the Local Government Half-Cent Sales Tax) first to the Prior Bonds, next apply the Guaranteed Entitlement Revenues and the Local Government Half-Cent Sales Tax to the Prior Bonds, and finally the Issuer will apply the Guaranteed Entitlement Revenues and

the Local Government Half-Cent Sales Tax (together with the Second Guaranteed Entitlement) to the Parity Bonds and the Series 2003 Bonds.

(E) **BOOKS AND ACCOUNTS.** The Issuer shall keep proper books, records and accounts of the receipts of the Pledged Revenues which shall be separate and apart from all other records and accounts of the Issuer, showing correct and complete entries of revenues collected and any Holders of any of the Bonds or any duly authorized agent or agents of such Holders shall have the right at any and all reasonable times to inspect such books, records and accounts. The Issuer shall, at least once in a year, cause the audit of such books, records and accounts to be made by an independent firm of certified public accountants. The audit shall include a certification by the accountants that (i) they are familiar with the provisions of this Ordinance, (ii) the results of the audit do or do not, as the case may be, comply with the provisions hereof, and (ii) the Issuer has or has not complied with the covenants hereunder.

Copies of each such audit report shall be placed on file with the Issuer and be made available at reasonable times for inspection by Holders of the Bonds.

(F) **PLEDGED REVENUES NOT SUBJECT TO REPEAL.** The Issuer has full power to irrevocably pledge such Pledged Revenues to the payment of the principal of and interest on the Bonds, and the pledging of such Pledged Revenues in the manner provided herein shall not be subject to repeal or impairment by any subsequent ordinance, resolution or other proceedings of the governing body of the Issuer or by any subsequent act of the Legislature of Florida.

(G) **COVENANT OF PLEDGED REVENUES.** The Issuer hereby covenants, that as long as the Bonds are outstanding, it will not impair or adversely affect the right of the Issuer to receive the Pledged Revenues. The Issuer will proceed diligently to perform legally and effectively all steps required on its part to collect and receive the Pledged Revenues.

SECTION 14. REMEDIES. Any Holder of Bonds issued under the provisions hereof or any trustee acting for such Bondholders in the manner hereinafter provided, may, either at law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction, protect and enforce any and all rights including the appointment of a receiver, existing under State or federal law, or granted and contained in this Ordinance, and may enforce and compel the performance of all duties required by this Ordinance or by any applicable statutes to be performed by the Issuer or by any agency, board or officer thereof.

Nothing herein, however, shall be construed to grant to any holder of the Bonds any lien on any property of the Issuer.

SECTION 15. MODIFICATION OR AMENDMENT. No material modification or amendment of this Ordinance or of any resolution amendatory hereof or supplemental hereto may be made without the consent in writing of the Holders of two-thirds (2/3) or more in the principal amount of the Bonds then outstanding. As long as a municipal bond insurance policy remains in full force and effect, consent by the Bond Insurer shall constitute the required consent of the Holders. Provided, however, that no modification or amendment shall permit a change in

the maturity of any series of Bonds or a reduction in the rate of interest thereon or in the amount of the principal obligation thereof or affecting the promise of the Issuer to pay the principal of and interest on any series of Bonds as the same shall become due or reduce the percentage of the Holders of any series of Bonds required to consent to any material modification or amendment hereof without the consent of the Holder or Holders of all Bonds and the consent of the Bond Insurer to the foregoing actions shall constitute consent of the Holders.

Notwithstanding the foregoing, this Ordinance may be amended, changed, modified and altered without the consent of the Holders of the Bonds, (i) to cure any ambiguity, correct or supplement any provision contained herein which may be defective or inconsistent with any other provision contained herein, (ii) to provide other changes which will provide additional security to the Holders of the any series of Bonds, or (iii) to maintain the exclusion of interest on any series of Bonds from gross income for Federal income tax purposes.

SECTION 16. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions of this Ordinance should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid or shall in any manner be held to adversely affect the validity of the Bonds, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements or provisions of this Ordinance or of the Bonds issued hereunder.

SECTION 17. HOLDERS NOT AFFECTED BY USE OF PROCEEDS. The Holders of the Series 2003 Bonds shall have no responsibility for the use of the proceeds thereof, and the use of such proceeds by the Issuer shall in no way affect the rights of such Holders. The Issuer shall be irrevocably obligated to continue to levy and collect the Pledged Revenues as provided herein and to pay the principal of and interest on the Bonds and to make all reserve and other payments provided for herein from the Pledged Revenues notwithstanding any failure of the Issuer to use and apply such proceeds in the manner provided herein and in Original Ordinance.

SECTION 18. DEFEASANCE. The covenants and obligations of the Issuer shall be defeased and discharged under terms of this Ordinance as follows:

(A) If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Series 2003 Bonds the principal, redemption premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated herein, then the pledge of the Pledged Revenues and all covenants, agreements and other obligations of the Issuer to the Holders of any Series 2003 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of any Bonds the principal or redemption premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated herein, such Series 2003 Bonds shall cease to be entitled to any lien, benefit or security under this Ordinance, and all covenants, agreements and obligations of the Issuer to the Holders of such Series 2003 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

(B) The Series 2003 Bonds, redemption premium if any, and interest due or to become due for the payment or redemption of which moneys shall have been set aside and shall be held in trust (through deposit by the Issuer of funds for such payment or redemption or otherwise) at the maturity or redemption date thereof shall be deemed to have been paid within the meaning and with the effect expressed in paragraph (A) of this Section 18. Any Series 2003 Bond shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in paragraph (A) of this Section if (i) in case any of said Series 2003 Bonds are to be redeemed on any date prior to their maturity, the Issuer shall have given to the escrow agent instructions accepted in writing by the escrow agent to notify Holders of Bonds in the manner required herein of the redemption of such Series 2003 Bonds on said date and (ii) there shall have been deposited with the escrow agent either moneys in an amount which shall be sufficient, or acquired obligations (as determined by the Bond Insurer) (including any acquired obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States) the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the escrow agent at the same time, shall be sufficient, to pay when due the principal of and premium, if any, and interest due and to become due on said Series 2003 Bonds on or prior to the redemption date or maturity date thereof, as the case may be.

SECTION 19. TAX COVENANT. No use will be made of the proceeds of the Series 2003A Bonds which, if such use were reasonably expected on the date of issuance of the Series 2003A Bonds, would cause the same to be "arbitrage bonds" within the meaning of the Internal Revenue Code of 1986, as amended. The Issuer at all times while the 2003A Bonds and the interest thereon are outstanding will comply with the requirements of the Internal Revenue Code of 1986, as amended, and any valid and applicable rules and regulations promulgated thereunder necessary to maintain the exclusion of the interest on the Series 2003A Bonds from federal gross income including the creation of any rebate funds or other funds and/or accounts required in that regard.

The Issuer shall at all times do and perform all acts and things permitted by law and this Ordinance which are necessary or desirable in order to assure that interest paid on the Series 2003A Bonds will be excluded from gross income for federal income tax purposes and shall take no action that would result in such interest not being excluded from gross income for federal income tax purposes.

In order to insure compliance with the rebate provisions of Section 148(f) of the Code with respect to the Series 2003A Bonds the Issuer hereby creates the Rebate Fund (the "Rebate Fund") to be held by the Issuer. The Rebate Fund need not be maintained if the Issuer shall have received an opinion of Bond Counsel to the effect that failure to create the Rebate Fund shall not adversely affect the exclusion of interest on such Series 2003A Bonds from gross income for purposes of Federal income taxation. Moneys in the Rebate Fund shall not be considered Pledged Revenues and shall not be pledged in any manner for the benefit of the holders of the Series 2003A Bonds. Moneys in the Rebate Fund (including earnings and deposits therein) shall (i) be held for future payment to the United States Government as required by the United States Treasury Regulations and as set forth in instructions of Bond Counsel delivered to the Issuer

upon issuance of the Series 2003A Bonds or (ii) be returned to the Issuer if not required for the purposes set forth in (i).

SECTION 20. CONTINUING DISCLOSURE. The Issuer hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Such Continuing Disclosure Certificate shall be in such form as shall be approved by subsequent resolution of the Issuer. Notwithstanding any other provision of this Ordinance, failure of the Issuer to comply with the Continuing Disclosure Certificate will not be considered an event of default; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Section. Series 2003 Bondholders shall not be entitled to any damages for failure of the Issuer to comply with the terms of the Continuing Disclosure Certificate.

SECTION 21. CAPITAL APPRECIATION BONDS. For the purposes of (i) receiving payment of the redemption price of a Capital Appreciation Bond if redeemed prior to maturity, (ii) receiving payment if the principal of all Series 2003 Bonds is declared immediately due and payable, (iii) computing Bond Service Requirement, and (iv) in computing the amount of Holders required for any notice, consent, request or demand hereunder for any purpose whatsoever, the principal amount of a Capital Appreciation Bond shall be deemed to be its Compounded Amount.

SECTION 22. MUNICIPAL BOND INSURER. The Issuer hereby authorizes the Series 2003 Bonds to be insured by a municipal bond insurance policy to be issued by a Municipal Bond Insurer concurrently with the delivery of the Series 2003 Bonds and further authorizes application of Series 2003 Bond proceeds to payment of the premium for the municipal bond insurance policy. The Municipal Bond Insurer shall be confirmed by subsequent resolution.

SECTION 23. PRELIMINARY OFFICIAL STATEMENT. The Issuer hereby authorizes and directs a Preliminary Official Statement to be prepared, which shall be in substantially the form attached hereto as Exhibit A and incorporated herein by reference, with such changes, insertions and omissions as shall be approved by the Director of Management and Budget of the Issuer. The Chairman or the Director of Management and Budget are hereby authorized to deem the Preliminary Official Statement final for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") except for "permitted omissions," as defined in the Rule.

SECTION 24. CONFLICTS. All ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed to the extent of such conflict, except to the extent of any conflicts with the Tallahassee-Leon County 2010 Comprehensive Plan, as amended, which provisions shall prevail over any parts of this Ordinance which are inconsistent, either in whole or in part, with the said Comprehensive Plan.

SECTION 25. SEVERABILITY. If any word, phrase, clause, section, or portion of this Ordinance shall be held invalid or unconstitutional by a court of competent jurisdiction, such

portion or words shall be deemed a separate and independent provision and such holding shall not affect the validity of the remaining portions thereof.

SECTION 26. EFFECTIVE DATE. This Ordinance shall have effect upon becoming law.

[Remainder of page left intentionally blank.]

DULY PASSED AND ADOPTED by the Board of County Commissioners of Leon County, Florida on this 29th day of April, 2003.

BOARD OF COUNTY COMMISSIONERS OF
LEON COUNTY, FLORIDA

By: _____
CHAIRMAN

ATTESTED BY:

BOB INZER, CLERK OF THE COURT

By: _____

APPROVED AS TO FORM:

COUNTY ATTORNEY'S OFFICE
LEON COUNTY, FLORIDA

BY: _____
HERBERT W.A. THIELE, ESQ.
COUNTY ATTORNEY

EXHIBIT A
FORM OF PRELIMINARY OFFICIAL STATEMENT

RMSS&R, P.A. Draft: 4/21/03

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2003

NEW ISSUES
BOOK-ENTRY-ONLY

[Ratings: Moody's "____"]

Fitch: "____"

(____ INSURED)

(See "RATINGS" in this Official Statement)]

In the opinion of Co-Bond Counsel, assuming compliance with certain covenants in the Ordinance (as hereinafter defined), interest on the Series 2003A Bonds is excluded from gross income for purposes of federal income taxation and the Series 2003 Bonds are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed by Chapter 220, Florida Statutes on interest, income or profits on debt obligations owned by corporations as defined in Chapter 220. See, however "Tax Treatment" herein for a description of certain federal minimum and other special taxes that may affect the tax treatment of interest on the Series 2003 Bonds. **THE INTEREST EARNED ON THE SERIES 2003B BONDS IS NOT EXCLUDED FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES.**

LEON COUNTY, FLORIDA

\$ _____ *
**CAPITAL IMPROVEMENT
REVENUE BONDS,
SERIES 2003A**

\$ _____ *
**TAXABLE CAPITAL IMPROVEMENT
REVENUE BONDS,
SERIES 2003B**

Dated: June 1, 2003

Due: October 1, as shown below

The Leon County, Florida Capital Improvement Revenue Bonds, Series 2003A (the "Series 2003A Bonds") and the Leon County, Florida Taxable Capital Improvement Revenue Bonds, Series 2003B (the "Series 2003B Bonds," and together with the Series 2003A Bonds, the "Series 2003 Bonds") will be issued as fully registered bonds in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as a securities depository for the Series 2003 Bonds. Purchases of beneficial ownership interests in the Series 2003 Bonds will be made in book-entry only form, in denominations of \$5,000 or any integral multiple of \$5,000. Since purchases of beneficial interest in the Series 2003 Bonds will be made in book-entry-only form, purchasers will not receive physical delivery of bond certificates. See "BOOK-ENTRY SYSTEM."

Interest on the Series 2003 Bonds will be payable on April 1 and October 1 of each year until maturity or earlier redemption, commencing on October 1, 2003. Principal of and interest on the Series 2003 Bonds will be paid by the Paying Agent (as defined herein) to DTC or its nominee, and then by DTC through DTC Participants (as defined herein) to the beneficial owners thereof. [Wachovia Bank, National Association, Jacksonville, Florida] will serve as Registrar (as defined herein) and Paying Agent for the Series 2003 Bonds. The Series 2003 Bonds are subject to optional

and mandatory sinking fund redemption as described herein under the caption "DESCRIPTION OF THE SERIES 2003 BONDS—Redemption."

Leon County, Florida (the "County") is issuing the Series 2003A Bonds to provide funds, together with other available funds of the County, to finance a portion of the cost of the acquisition of a building to be owned by the County, commonly known as the Bank of America building (the "Bank of America Building") and construction of improvements to the Bank of America Building, and to finance the acquisition, construction and equipping of improvements to the County's courthouse, parking garage and other capital projects permitted by law (the "Series 2003A Project"). The County is issuing the Series 2003B Bonds to provide funds, together with other available funds of the County, to finance the balance of the cost of the acquisition of the Bank of America Building and construction of improvements to the Bank of America Building and to finance other capital projects permitted by law (the "Series 2003B Project"). Proceeds of the Series 2003 Bonds will also be applied to: (i) pay capitalized interest on the Series 2003 Bonds, (ii) provide for the funding of the Reserve Fund (as defined herein), and (iii) pay the costs of issuance of the Series 2003 Bonds, including the premiums in respect of the municipal bond insurance and [surety bond to be deposited into the Reserve Fund] for the Series 2003 Bonds.

The principal of, premium, if any, and interest on the Series 2003 Bonds is payable solely from and secured by a lien upon and pledge of the Pledged Revenues, as defined in Ordinance No. ____ enacted by the Board of County Commissioners of the County on April 29, 2003, as amended and supplemented (the "Ordinance"). The Pledged Revenues consist of the Local Government Half-Cent Sales Tax, the Guaranteed Entitlement Revenues and the Second Guaranteed Entitlement Revenues, as defined in the Ordinance and described herein. The lien on and pledge of the Pledged Revenues granted to the Holders (as defined herein) of the Series 2003 Bonds is (i) on a parity with the lien on and pledge of the Pledged Revenues granted to the holders of the County's Capital Improvement Revenue Bonds, Series 1998A, currently outstanding in the principal amount of \$9,710,000, Capital Improvement Revenue Bonds, Series 1998B, currently outstanding in the principal amount of \$23,565,000 and Capital Improvement Revenue Bonds, Series 1998B, currently outstanding in the principal amount of \$29,205,000 and any Additional Parity Obligations (as defined herein) hereafter issued under the Ordinance, and (ii) junior and subordinate in all respects to the lien on and pledge of the Local Government Half-Cent Sales Tax and Guaranteed Entitlement Revenues granted to the holders of the County's Capital Improvement Revenue Bonds, Series 1993, currently outstanding in the principal amount of \$7,345,000 and Capital Improvement Revenue Bonds, Series 1997, currently outstanding in the principal amount of \$5,845,000.

THE SERIES 2003 BONDS ARE LIMITED OBLIGATIONS OF THE COUNTY PAYABLE SOLELY OUT OF THE PLEDGED REVENUES AS PROVIDED IN THE ORDINANCE. NEITHER THE FULL FAITH AND CREDIT, THE TAXING POWER NOR THE AD VALOREM TAXING POWER OF THE COUNTY, THE STATE OF FLORIDA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED AS SECURITY FOR THE PAYMENT OF THE SERIES 2003 BONDS. NO OWNER OR ANY OTHER PERSON SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF ANY AD VALOREM TAXING POWER OR THE COUNTY OR OTHER GOVERNMENTAL BODY TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2003 BONDS. THE SERIES 2003 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE COUNTY, THE STATE OF

FLORIDA, OR ANY OTHER POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION.

The payment of principal of and interest on the Series 2003 Bonds when due will be insured by a municipal bond insurance policy to be issued by _____ simultaneously with the delivery of the Series 2003 Bonds.

[LOGO]

MATURITIES, AMOUNTS, RATES, PRICES AND YIELDS

\$ _____ Serial Series 2003A Bonds

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>
	\$	%	%

\$ _____ % Term Series 2003A Bonds Due October 1, 20__ - Yield ____%

\$ _____ Serial Series 2003B Bonds

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>
	\$	%	%

\$ _____ % Term Series 2003B Bonds Due October 1, 20__ - Yield ____%
(accrued interest to be added)

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement, including appendices, to obtain information essential to making an informed investment decision.

The Bonds are offered when, as and if issued by the County and accepted by the Underwriters, subject to the approval of legality by Bryant Miller and Olive, P.A. Tallahassee, Florida, and Knowles, Marks & Randolph, P.A., Tallahassee, Florida, Co-Bond Counsel. Certain legal matters will be passed upon for the County by Herbert W.A. Thiele, Esq., County Attorney. Certain legal matters relating to disclosure will be passed upon for the County by Ruden, McClosky, Smith, Schuster & Russell, Tallahassee, Florida. Certain legal matters will be passed upon for the Underwriters by their counsel, Nabors, Giblin & Nickerson, P.A., Tallahassee, Florida. It is expected that the Series 2003 Bonds will be available for delivery through The Depository Trust Company in New York, New York on or about June ____, 2003.

A.G. EDWARDS & SONS, INC.

JACKSON SECURITIES

Dated: _____, 2003

*Preliminary, subject to change

This Preliminary Official Statement and any information contained herein are subject to completion and amendment. The Series 2003 Bonds may not be sold and offers to buy may not be accepted prior to the time the Preliminary Official Statement is delivered in final form. Under no circumstances may this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2003 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PARTICIPANTS IN THE FINANCING

ISSUER

Leon County, Florida

BOARD OF COUNTY COMMISSIONERS

Tony Grippa, Chair

Jane G. Sauls, Vice-Chair

Rudy Maloy

Bill Proctor

Bob Rackleff

Cliff Thael

Dan Winchester

COUNTY ADMINISTRATOR

Parwez Alam

CLERK OF CIRCUIT COURT

Bob Inzer

FINANCE DIRECTOR

Bill Bogan, Jr.

MANAGEMENT AND BUDGET DIRECTOR

Alan Rosenweig

COUNTY ATTORNEY

Herbert W.A. Thiele, Esquire

CO-BOND COUNSEL

Bryant, Miller and Olive, P.A.
Tallahassee, Florida

Knowles, Marks & Randolph, P.A.
Tallahassee, Florida

FINANCIAL ADVISOR

William R. Hough & Co.
Naples, Florida

REGISTRAR/PAYING AGENT

[Wachovia Bank, National Association
Jacksonville, Florida]

CERTIFIED PUBLIC ACCOUNTANTS

Law, Redd, Crona & Munroe, P.A.
Tallahassee, Florida

Thomas Howell Ferguson, P.A.
Tallahassee, Florida

No dealer, salesman or any other person has been authorized by Leon County or the Underwriters to give any information or to make any representations, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy and there shall be no sale of the Series 2003 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth herein has been obtained from Leon County and other sources which are believed to be reliable. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of Leon County since the date hereof or the earliest date as of which such information is given.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2003 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE SERIES 2003 BONDS OFFERED HEREBY AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THIS PRELIMINARY OFFICIAL STATEMENT IS IN A FORM DEEMED FINAL BY THE COUNTY FOR PURPOSES OF RULE 15c(2)12(b)(1) PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED, EXCEPT FOR CERTAIN OMISSIONS PERMITTED UNDER THE RULE.

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OFFICIAL STATEMENT**LEON COUNTY, FLORIDA**

\$ _____*
**CAPITAL IMPROVEMENT
REVENUE BONDS,
SERIES 2003A**

\$ _____*
**TAXABLE CAPITAL IMPROVEMENT
REVENUE BONDS,
SERIES 2003B**

INTRODUCTION

The purpose of this Official Statement, including the cover page and appendices, is to provide information concerning the proposed issuance and sale by Leon County, Florida (the "County"), of its Capital Improvement Revenue Bonds, Series 2003A (the "Series 2003A Bonds") and its Taxable Capital Improvement Revenue Bonds, Series 2003B (the "Series 2003B Bonds," and together with the Series 2003A Bonds, the "Series 2003 Bonds").

The Series 2003 Bonds are being issued under the authority of Chapter 125, Florida Statutes, as amended, Ordinance No. 98-02, as amended and supplemented, enacted by the Board of County Commissioners of the County (the "Board") on March 31, 1998 (the "Parity Ordinance"), Ordinance No. ____ of the County, as amended and supplemented, enacted by the Board on April 29, 2003 (the "Ordinance") pursuant to which the County authorized the issuance of the Series 2003 Bonds in an aggregate principal amount not to exceed \$21,000,000, and other applicable provisions of law. Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Ordinance.

The principal of, premium, if any, and interest on the Series 2003 Bonds is payable solely from and secured by a lien upon and pledge of the Pledged Revenues, as defined in the Ordinance. The Pledged Revenues consist of the Local Government Half-Cent Sales Tax, the Guaranteed Entitlement Revenues and the Second Guaranteed Entitlement Revenues, as more fully described herein. The lien on and pledge of the Pledged Revenues granted to the Holders of the Series 2003 Bonds is (i) on a parity with the lien on and pledge of the Pledged Revenues granted to the holders of the County's Capital Improvement Revenue Bonds, Series 1998A, currently outstanding in the principal amount of \$9,710,000, Capital Improvement Revenue Bonds, Series 1998B, currently outstanding in the principal amount of \$23,565,000 and Capital Improvement Revenue Bonds, Series 1998B, currently outstanding in the principal amount of \$29,205,000 (collectively, the "Parity Bonds") and any Additional Parity Obligations hereafter issued under the Ordinance, and (ii) junior and subordinate in all respects to the lien on and pledge of the Local Government Half-Cent Sales Tax and Guaranteed Entitlement Revenues granted to the holders of the County's Capital Improvement Revenue Bonds, Series 1993, currently outstanding in the principal amount of \$7,345,000 and Capital Improvement Revenue Bonds, Series 1997, currently outstanding in the principal amount of \$5,845,000 (collectively, the "Prior Bonds"). The Prior Bonds are also secured by a first lien on and pledge of certain "Ancillary Revenues" (hereinafter defined).

* Preliminary, subject to change

The Parity Bonds were issued pursuant to the Parity Ordinance. The Parity Bonds, the Series 2003 Bonds and any Additional Parity Obligations are collectively referred to herein as the "Bonds." The Prior Bonds were issued pursuant to Ordinance No. 84-50, as amended and supplemented, enacted by the Board on October 18, 1984 (the "Original Ordinance").

The Series 2003A Bonds are being issued to provide funds, together with other available funds of the County, to finance a portion of the cost of the acquisition of a building to be owned by the County, commonly known as the Bank of America building (the "Bank of America Building") and the construction of improvements to the Bank of America Building, and to finance the acquisition, construction and equipping of improvements to the County's courthouse, parking garage and other capital projects permitted by law (the "Series 2003A Project"). The Series 2003B Bonds are being issued to provide funds, together with other available funds of the County, to finance the balance of the cost of the acquisition of the Bank of America Building and to finance construction of improvements to the Bank of America Building and other capital projects permitted by law (the "Series 2003B Project"). Proceeds of the Series 2003 Bonds will also be applied to: (i) pay capitalized interest on the Series 2003 Bonds, (ii) provide for the funding of the Reserve Fund (as defined herein), and (iii) pay the costs of issuance of the Series 2003 Bonds, including the premiums in respect of the municipal bond insurance and [surety bond to be deposited into the Reserve Fund] for the Series 2003 Bonds.

For a complete description of the terms of the Series 2003 Bonds, reference is made to the Ordinance, the form of which appears as Appendix C to this Official Statement. The description of the Ordinance and documents authorized and securing the Series 2003 Bonds and the information from reports contained herein do not purport to be comprehensive or definitive. All references herein to such documents and reports not reproduced in this Official Statement and further information which may be desired may be obtained from the Finance Director of the County, Post Office Box 726, Tallahassee, Florida 32302.

THE PROJECT

The Series 2003A Project and the Series 2003B Project (collectively, the "Project") includes the acquisition of the Bank of America Building to satisfy the County's long-term office space needs for the County Courthouse and Traffic Court (collectively, the "Courthouse"). The Bank of America Building will provide approximately 152,000 gross square feet of office space and 216 parking spaces in a four-story parking garage. The Bank of America Building is a commercial, Class A building, with existing tenants. While there is some vacant space for the County's immediate occupancy, additional staff will be relocated from the Courthouse to the Bank of American Building, as leases expire and the space is needed. Although the Bank of America Building is generally in good condition, certain system upgrades are needed, and the building needs to be brought up to current life safety codes and Americans with Disabilities Act requirements. The Project also includes the necessary renovation improvements to the Bank of America Building. The Series 2003A Project includes repair and renovation at the Courthouse, including repair of the exterior walls of the Courthouse, structural modifications to the Courthouse parking garage and interior space renovation in the Courthouse to meet the needs of the tenants of the Traffic Court building. The Project may include other capital improvements in addition to the foregoing, which may be designated as either part of the Series 2003A Project or the Series 2003B Project. Proceeds of the Series 2003A Bonds

will only be used to pay for the Series 2003A Project and proceeds of the Series 2003B Bonds will only be used to pay for the Series 2003B Project.

DESCRIPTION OF THE SERIES 2003 BONDS

General

The Series 2003 Bonds are being issued in fully registered form in the denomination of \$5,000 or any integral multiples thereof. The Series 2003 Bonds will be dated June 1, 2003 and shall bear interest from that date as set forth on the cover page of this Official Statement. The Series 2003 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry form through DTC Participants, all as defined and described under the caption "BOOK-ENTRY SYSTEM." Interest on the Series 2003 Bonds is payable on October 1, 2003, and on each April 1 and October 1 thereafter until maturity or earlier redemption.

So long as the Series 2003 Bonds remain in book-entry form, payment of principal, premium, if any, and interest on the Series 2003 Bonds will be mailed or delivered by check or draft of [Wachovia Bank, National Association, Jacksonville, Florida], as Registrar and Paying Agent, to Cede & Co., as registered owner of the Series 2003 Bonds, and will be redistributed to Beneficial Owners by DTC through DTC Participants. See "BOOK-ENTRY SYSTEM" herein.

So long as the Series 2003 Bonds remain in book-entry form, transfers of beneficial ownership interests in the Series 2003 Bonds are to be accomplished by entries made on the books of DTC Participants acting on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their beneficial ownership interests in Series 2003 Bonds, except in the event that use of the book-entry system for Series 2003 Bonds is discontinued. See "BOOK-ENTRY SYSTEM" herein.

Redemption

Mandatory Redemption.

The Series 2003A Bonds due October 1, 20__ are subject to mandatory sinking fund redemption by lot prior to maturity in such manner as shall be determined by the Paying Agent, in the years and amounts set forth below at a price equal to 100% of principal amount thereof plus accrued interest to the redemption date.

<u>Year</u>	<u>Principal Amount</u>
	\$

*

*Final Maturity

The Series 2003B Bonds due October 1, 20__ are subject to mandatory sinking fund redemption by lot prior to maturity in such manner as shall be determined by the Paying Agent, in the years and amounts set forth below at a price equal to 100% of principal amount thereof plus accrued interest to the redemption date.

<u>Year</u>	<u>Principal Amount</u>
	\$

*

*Final Maturity

Optional Redemption.

The Series 2003A Bonds maturing prior to October 1, 20__ are not subject to optional redemption prior to their respective stated dates of maturity. The Series 2003A Bonds maturing on October 1, 20__ and thereafter are subject to redemption prior to their respective dates of maturity at the option of the County, in whole on any date, or in part, in such order of maturity as the County may designate (and by lot within a single maturity), on October 1, 20__, or on any Interest Payment Date thereafter, at the following redemption prices (expressed as percentages of the principal amount of the Series 2003 Bonds so redeemed) plus accrued interest to the date of redemption if redeemed in the following years:

<u>Redemption Period (Both Dates Inclusive)</u>	<u>Redemption Price</u>
October 1, 20__ through September 30, 20__	101%
October 1, 20__ and thereafter	100%

The Series 2003B Bonds maturing prior to October 1, 20__ are not subject to optional redemption prior to their respective stated dates of maturity. The Series 2003A Bonds maturing on October 1, 20__ and thereafter are subject to redemption prior to their respective dates of maturity at the option of the County, in whole on any date, or in part, in such order of maturity as the County may designate (and by lot within a single maturity), on October 1, 20__, or on any Interest Payment Date thereafter, at the following redemption prices (expressed as percentages of the principal amount of the Series 2003 Bonds so redeemed) plus accrued interest to the date of redemption if redeemed in the following years:

<u>Redemption Period (Both Dates Inclusive)</u>	<u>Redemption Price</u>
October 1, 20__ through September 30, 20__	101%
October 1, 20__ and thereafter	100%

Notice of Redemption. The Registrar is required to give notice of redemption by mailing, with postage prepaid, a copy of the redemption notice not less than 30 days prior to the date fixed for redemption to the Owner of each Series 2003 Bond to be redeemed in whole or in part at the last address shown on the registration books kept by the Registrar at the close of business on the last

business day of the month preceding the month for which notice is mailed. See "BOOK-ENTRY SYSTEM" herein for DTC's practices regarding redemption as long as the Series 2003 Bonds remain in book-entry form.

Failure to Give Proper Notice. Failure to mail such notice of redemption shall not affect the validity of any proceedings for the redemption of the Series 2003 Bonds with respect to Holders of Series 2003 Bonds to which notice was duly mailed.

Failure to Present Bond for Payment. Notice having been mailed to the Holders of Series 2003 Bonds in the manner and under the conditions provided in the Ordinance, the Series 2003 Bonds or portion of the Series 2003 Bonds so called for redemption will, on the redemption date designated in such notice, become and be due and payable at the redemption price provided for redemption of such Series 2003 Bonds or portions of the Series 2003 Bonds on such date. On the date so designated for redemption, notice having been mailed and filed and moneys for payment of the redemption price being held in separate accounts in trust for the Holders of the Series 2003 Bonds or portions thereof to be redeemed, all as provided in the Ordinance, interest on the Series 2003 Bonds or portions of the Series 2003 Bonds so called for redemption will cease to accrue, such Series 2003 Bonds and portions of the Series 2003 Bonds will cease to be entitled to any lien, benefit, or security under the Ordinance, and the Holders of such Series 2003 Bonds or portions of the Series 2003 Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds from the sale of the Series 2003 Bonds (exclusive of accrued interest) and other available moneys, are expected to be applied as follows:

Sources:

Par Amount of Series 2003 Bonds	\$
Less: Original Issue Discount	()
Accrued Interest	_____
Total Sources	<u>\$</u>

Uses:

Deposit to Series 2003A Construction Fund ⁽¹⁾	\$
Deposit to Series 2003B Construction Fund ⁽²⁾	
Cost of Issuance ⁽³⁾	
Accrued Interest	_____
Total Uses	<u>\$</u>

⁽¹⁾ From proceeds of the Series 2003A Bonds.

⁽²⁾ From proceeds of the Series 2003B Bonds.

⁽³⁾ Includes underwriters' discount, insurance premium, premium for Reserve Fund surety bond, and other expenses.

SECURITY FOR THE SERIES 2003 BONDS

General

The Ordinance provides that the Series 2003 Bonds shall for all purposes (except as expressly provided in the Ordinance) be considered to be Additional Parity Obligations issued under the authority of the Parity Ordinance and shall be entitled to all the protection and security provided therein for the Parity Bonds and shall be in all respects entitled to the same security, rights and privileges enjoyed by the Parity Bonds.

Sources of Payment

Payment of the principal of, premium, if any, and interest on the Series 2003 Bonds is secured equally and ratably by an irrevocable lien on the Pledged Revenues. The term "Pledged Revenues" is defined in the Ordinance to mean (i) certain sales tax revenues received by the County pursuant to Chapter 218, Part VI, Florida Statutes, (the "Local Government Half-Cent Sales Tax"); (ii) the guaranteed entitlement revenues received by the County pursuant to Chapter 218, Part II, Florida Statutes, and defined therein as the "Guaranteed Entitlement" (the "Guaranteed Entitlement"); and (iii) the second guaranteed entitlement revenues received by the County pursuant to Chapter 218, Part II, Florida Statutes and defined therein as the "Second Guaranteed Entitlement for Counties" (the "Second Guaranteed Entitlement").

The lien on and pledge of the Pledged Revenues granted to the Holders of the Series 2003 Bonds is on a parity with the lien on and pledge of such Pledged Revenues granted to the holders of the Parity Bonds and any Additional Parity Obligations hereafter issued under the Ordinance, and the lien on and pledge of the Local Government Half-Cent Sales Tax and Guaranteed Entitlement Revenues included in such Pledged Revenues is junior and subordinate to the lien on and pledge of the Local Government Half-Cent Sales Tax and Guaranteed Entitlement Revenues granted to the holders of the Prior Bonds. See "SECURITY FOR THE SERIES 2003 BONDS--Covenant of Use of Certain Pledged Revenues for Prior Bonds" below.

In addition to a first lien on and pledge of the Local Government Half Cent Sales Tax and Guaranteed Entitlement Revenues, the Prior Bonds are also secured by a first lien on and pledge of certain Ancillary revenues, consisting of the following (all of which, collectively, are referred to herein as the "Ancillary Revenues"): (a) funds received by the County from the United States pursuant to Public Law 92-512, the State and Local Fiscal Assistance Act of 1972, as amended (the "Federal Revenue Sharing"); (b) those funds allocated to the County pursuant to Chapters 550 and 551, Florida Statutes, except the one-half portion of said funds obligated for support of public schools, pursuant to Chapter 218.36, Laws of Florida (1943) (the "Race Track Funds"); (c) excess fees received from County officers pursuant to Section 218.36, Florida Statutes (the "County Officers Excess Fees"); (d) those revenues paid to the County by the State of Florida pursuant to the provisions of Chapter 624, Part IV, Florida Statutes, pursuant to the provisions of Section 561.342, Florida Statutes, and pursuant to the provisions of Section 320.081, Florida Statutes (the "License Revenue from the State"); (e) those revenues received by the County (pursuant to action of the Board), in regard to the operation of the County's landfill, which revenues are in excess of the cost

of operation of the landfill (the "Landfill Operating Revenues"); (f) those moneys received by the County pursuant to 16 USCS Section 567(b)(e) (the "Forestry Receipts"); (g) those revenues received by the County from the City of Tallahassee and Talquin Electric Cooperative, Inc. pursuant to the provisions of County Ordinance No. 83-38, as amended (the "Electric Franchise Fees"); (h) those revenues paid to the County pursuant to Section 30.51, Florida Statutes (the "Sheriff's Fees"); and (i) those revenues paid to the County pursuant to Section 34.041(1), Florida Statutes, but not including any service charges that may be imposed by the County in excess of those fixed by Section 34.041(1), Florida Statutes (the "County Clerk's Fees"). See "SECURITY FOR THE SERIES 2003 BONDS--Covenant of Use of Certain Pledged Revenues for Prior Bonds" and the table entitled "LEON COUNTY, FLORIDA DEBT SERVICE COVERAGE ON PRIOR BONDS, PARITY BONDS AND SERIES 2003 BONDS."

Covenant to Collect Pledged Revenues

The County has covenanted in the Ordinance to diligently perform legally and effectively all steps required on its part to collect and receive the Pledged Revenues. The County has covenanted in the Ordinance that the pledge of the Pledged Revenues shall not be subject to repeal or impairment by any subsequent ordinance, resolution, or proceeding of the County or by any subsequent act of the Legislature of Florida. See "PLEDGED REVENUES--'Limitation on Pledged Revenues' and 'Other Considerations Regarding Pledged Revenues.'"

The County has also covenanted in the Ordinance that it has the full power to irrevocably pledge such Pledged Revenues to the payment of the principal of, premium, if any, and interest on the Series 2003 Bonds.

Covenant to Not Issue Senior Debt

The County has covenanted in the Ordinance not to issue any further debt pursuant to the Original Ordinance, including refunding bonds, whose lien is equal and ratable with the Prior Bonds and whose lien has priority over the Bonds.

Covenant of Use of Certain Pledged Revenues for Prior Bonds

The Prior Bonds are secured by a pledge of the Local Government Half-Cent Sales Tax and Guaranteed Entitlement Revenues that comprise a portion of the Pledged Revenues pledged to the Series 2003 Bonds, as well as certain other non-ad valorem revenues of the County. The Second Guaranteed Entitlement Revenues are not pledged to the Prior Bonds.

The Ordinance provides that the Pledged Revenues will be deposited into the Revenue Fund created under the Prior Ordinance for the benefit of the Bonds after all payments required by Original Ordinance in connection with the Prior Bonds are made. See "SECURITY FOR THE SERIES 2003 BONDS--Flow of Funds" below.

The County has covenanted in the Ordinance, that, for so long as any of the Prior Bonds are Outstanding, it will first apply the Ancillary Revenues pledged to the Prior Bonds pursuant to the Original Ordinance (which excludes the Guaranteed Entitlement Revenues and the Local

Government Half-Cent Sales Tax) to the payment of the Prior Bonds, next apply the Guaranteed Entitlement Revenues and the Local Government Half-Cent Sales Tax to the payment of the Prior Bonds and finally apply the Guaranteed Entitlement Revenues and the Local Government Half-Cent Sales Tax (together with the Second Guaranteed Entitlement Revenues) to the payment of the Bonds.

ACCORDINGLY, SO LONG AS THE PRIOR BONDS REMAIN OUTSTANDING UNDER THE ORIGINAL ORDINANCE, THE LOCAL GOVERNMENT HALF-CENT SALES TAX AND GUARANTEED ENTITLEMENT REVENUES SHALL BE SUBJECT TO THE LIEN OF THE ORDINANCE ONLY TO THE EXTENT THE SAME BECOME AVAILABLE FOR THAT PURPOSE AFTER MAKING PAYMENTS REQUIRED PURSUANT TO THE ORIGINAL ORDINANCE.

Reserve Fund

Pursuant to the Ordinance, simultaneously with the delivery of the Series 2003 Bonds to the initial purchasers thereof, the Reserve Fund will be funded in an amount equal to the Reserve Requirement. The Reserve Fund secures the Parity Bonds, the Series 2003 Bonds, and any Additional Parity Obligations on an equal basis. The County has covenanted to maintain the Reserve Requirement on deposit in the Reserve Fund. The Reserve Requirement is the lesser of (i) ten percent (10%) of the proceeds of the Bonds (including any Additional Parity Obligations), (ii) the Maximum Bond Service Requirement, if any, on the Bonds becoming due in any ensuing Bond Year, or (iii) 125% of the Average Annual Bond Service Requirement, if any, on Outstanding Bonds becoming due in any Bond Year.

The Reserve Requirement for the Parity Bonds is \$_____. The Reserve Fund is currently funded with surety bonds (collectively, the "Parity Surety Bond") issued by Ambac Assurance Corporation in the face amount of the Reserve Requirement for the Parity Bonds. After issuance of the Series 2003 Bonds, the Reserve Requirement will be \$_____. [The County will fund the required deposit of \$_____ to the Reserve Fund in connection with the issuance of the Series 2003 Bonds by the deposit of a separate surety bond (the "2003 Surety Bond") issued by _____ (the "Bond Insurer"). The Parity Surety Bond and 2003 Surety Bond are referred to collectively herein as the "Surety Bonds." See "MUNICIPAL BOND INSURANCE" herein for a description of the Bond Insurer.]

The premium on the 2003 Surety Bond is to be fully paid at or prior to the issuance and delivery of the Series 2003 Bonds.

[Description of Surety Bonds to follow]

In the event that the amount on deposit, or credited to the Reserve Fund, exceeds the amount of the Surety Bonds, any draws on the Surety Bonds shall be made only after all the funds in the Reserve Fund have been expended. In the event that the amount on deposit, or credited to, the Reserve Fund, in addition to the amount available under the Surety Bonds, includes amounts available under a letter of credit, insurance policy, surety bond, or other such funding instrument (the "Additional Funding Instrument"), draws on the Surety Bonds and the Additional Funding

Instrument shall be made on a pro rata basis to fund the insufficiency. The Ordinance provides that the Reserve Fund shall be replenished in the following priority; principal and interest on the Surety Bond shall be paid from first moneys available in the Revenue Fund after all required payments from the Revenue Fund (including all deficiencies in prior required payments thereon) have been made in full.

The Surety Bonds do not insure against nonpayment caused by the insolvency or negligence of the Registrar or Paying Agent.

Funds in the Reserve Fund shall be used only for the purpose of paying the Bond Service Requirement with respect to the Bonds, to the extent that funds in the Debt Service Fund are insufficient therefor, and for no other purposes. Any excess moneys on deposit in the Reserve Fund shall be transferred by the County to the Debt Service Fund.

Flow of Funds

Pursuant to the Parity Ordinance, the following funds and accounts have been created for the Bonds, which funds and accounts are trust funds held for the purposes provided in the Parity Ordinance and the Ordinance: a "Revenue Fund;" a "Debt Service Fund" and therein a "Principal Account," an "Interest Account," and a "Redemption Account;" a "Reserve Fund;" and a "Construction Fund." The Ordinance also creates a Rebate Fund, however moneys in the Rebate Fund are not Pledged Revenues.

The Ordinance provides that the principal of and interest on the Series 2003 Bonds shall be payable from the Debt Service Fund established in the Parity Ordinance on a parity with the Parity Bonds and payments shall be made into such Debt Service Fund by the County in amounts fully sufficient to pay the principal of and interest on the Parity Bonds and the Series 2003 Bonds as such principal and interest become due.

Pursuant to the Parity Ordinance and the Ordinance, for so long as any of the principal of and interest on any of the Bonds shall be outstanding and unpaid or until the County has made provision for payment of principal, interest and redemption premium, if any, with respect to the Bonds, as provided in the Parity Ordinance and the Ordinance, the County covenants with the Holders of any and all Bonds as follows:

(A) **REVENUE FUND.** All Pledged Revenues, after payments required by the Original Ordinance, shall be deposited in the Revenue Fund. All deposits into such Revenue Fund shall be deemed to be held in trust for the purposes herein provided and used only for the purposes and in the manner herein provided.

(B) **DISPOSITION OF REVENUES.** All amounts in the Revenue Fund shall be disposed of monthly, but not later than the twenty-eighth (28th) day of each month only in the following manner and the following order or priority:

(1) The Issuer shall first deposit into the Debt Service Fund and credit to the following accounts, in the following order (except that payments into the Principal Account

and the Redemption Account shall be on a parity with each other), the following identified sums:

(a) Interest Account: Such sum as will be sufficient to pay one-sixth ($1/6^{\text{th}}$) or all interest coming due on all Bonds on the next interest payment date, together with any fees and charges of the Paying Agent and Registrar therefor. The moneys in the Interest Account shall be withdrawn and deposited with the Paying Agent and Registrar for the Bonds on or before each interest payment date in an amount sufficient to pay the interest due on such date and the fees of the Registrar.

(b) Principal Account: Such sum as will be sufficient to pay one-twelfth ($1/12^{\text{th}}$) of the principal amount of the Bonds which will mature and become due on such annual maturity dates beginning in the month which is twelve (12) months prior to the first principal maturity date. The moneys on deposit in the Principal Account shall be withdrawn and deposited with the Paying Agent and Registrar for such Bonds on or before each principal maturity date in an amount sufficient to pay the principal maturing on such date and the fees and charges of the Paying Agent and Registrar.

(c) Redemption Account: Such sum as will be sufficient to pay any Amortization Installment established for the Term Bonds established by any subsequent resolution of the County.

(2) To the extent that the amounts on deposit in the Reserve Fund are less than the Reserve Requirement, the County shall next make deposits into the Reserve Fund in the manner described below from moneys remaining in the Revenue Fund. Any withdrawals from the Reserve Fund shall be subsequently restored from the first moneys available in the Revenue Fund, after all current applications and allocations to the Debt Service Fund, including all deficiencies for prior payments that have been made in full. The County may provide that the difference between the amounts on deposit in the Reserve Fund and the Reserve Requirement shall be an amount covered by a letter of credit rated in one or the two highest categories by nationally recognized rating agencies, by a surety bond acceptable to any company issuing a policy of municipal bond insurance guaranteeing the payment of principal and interest on the Bonds, or any combination thereof. Moneys in the Reserve Fund shall be used only for the purpose of the payment of Amortization Installments, principal of, or interest on the Bonds when the other moneys allocated to the Debt Service Fund are insufficient therefor, and for no other purpose.

(3) The balance of any moneys remaining in the Revenue Fund after the above required payments have been made may be used for any lawful purpose; provided, however, that none of said money shall be used for any purposes other than those hereinabove specified unless all current payments, including any deficiencies for prior payments, have been made in full and unless the County shall have complied fully with all the covenants and provisions of the Parity Ordinance and the Ordinance.

(4) In determining the amount of any of the payments required to be made

pursuant to the foregoing, credit may be given for all investment income accruing to the respective funds and accounts described above, except as otherwise provided in the Parity Ordinance and the Ordinance.

Additional Parity Obligations

The County has covenanted not to issue any bonds or other obligations or to create voluntarily or cause to be created any debt, lien, pledge, assignment, encumbrance, or other charge having a priority over the lien of the Series 2003 Bonds on the Pledged Revenues. Obligations payable on a parity from the Pledged Revenues with the Series 2003 Bonds (the "Additional Parity Obligations") may be issued and delivered only if there shall have been obtained and filed with the County a certificate of a finance officer of the County stating:

(a) the amount of Pledged Revenues received by the County for the fiscal year immediately preceding the date of issuance of such Additional Parity Obligations or for any 12 consecutive months during the 30 months immediately preceding the date of issuance of the Additional Parity Obligations with respect to which such certificate is made; and

(b) that the aggregate proceeds of the Pledged Revenues for such preceding fiscal year or for a period of any 12 consecutive months out of the 30 months immediately preceding the date of issuance of the proposed Additional Parity Obligations equals at least 135% of the Maximum Bond Service Requirement computed on a basis which includes both (i) all Bonds then outstanding, and (ii) the Additional Parity Obligations with respect to which said certificate is made.

In determining whether the test in the Ordinance for issuing Additional Parity Obligations, including the Series 2003 Bonds, has been met, the County will subtract from the amount of Pledged Revenues received during the applicable period referenced in paragraphs (a) and (b) above (the "Test Period") the amount of revenues pledged to the Prior Bonds actually used to pay debt service on the Prior Bonds during such Test Period. For purposes of the foregoing, the County will assume that Ancillary Revenues were applied to pay debt service on the Prior Bonds during the Test Period before Local Government Half Cent Sales Tax and Guaranteed Entitlement Revenues were applied for that purpose.

Additional Parity Obligations shall be subject to all of the covenants set forth in the Ordinance and may not be issued if the County is in default in carrying out any of the obligations assumed under the Ordinance.

The County may issue bonds or other obligations which have a lien on the Pledged Revenues which is subordinate to that of the Series 2003 Bonds, provided that such obligations expressly state that they are junior and subordinate in all respects to the Series 2003 Bonds as to lien on and security for payment from the Pledged Revenues.

PLEDGED REVENUES

General

The Pledged Revenues are comprised of the Local Government Half-Cent Sales Tax, the Guaranteed Entitlement Revenues and the Second Guaranteed Entitlement Revenues. As noted above, so long as the Prior Bonds remain outstanding under the Original Ordinance, the Local Government Half-Cent Sales Tax and Guaranteed Entitlement Revenues shall be subject to the lien of the Ordinance only to the extent these revenues become available for that purpose after making payments required pursuant to the Original Ordinance.

Local Government Half-Cent Sales Tax

General

Pursuant to Chapter 212, Part I, Florida Statutes, the State of Florida (the "State") is authorized to levy and collect a sales tax on, among other things, the sales price of each item or article of tangible personal property sold at retail in the State, subject to certain exceptions and dealer allowances as set forth in Chapter 212, Florida Statutes. Chapter 212 was amended in 1982 to increase the total sales tax levy from 4% to 5% and was further amended in 1988 to increase the sales tax from 5% to 6%. In addition, Section 202.12, Florida Statutes provides that the State is authorized to levy and collect a sales tax on every person who engages in the business of selling communications services at retail in the State, subject to certain exceptions and dealer allowances as set forth in Chapter 202, Florida Statutes. The sales tax is currently imposed at the rate of 6.8% of the sales price of the communications service; provided that direct-to-home satellite services are currently taxed at the rate of 10.8%. Pursuant to Sections 202.18(1)(b) and (2)(b), Florida Statutes a portion of the proceeds of the sales tax remitted under Chapter 202, Florida Statutes is required to be distributed pursuant to Section 212.20(6), Florida Statutes. Section 212.20(6), Florida Statutes, as amended, currently provides after certain prior distributions to the State's general revenue fund and solid waste management trust fund, 9.653% of the proceeds of the sales tax imposed by Chapter 212, Part I, Florida Statutes and remitted to the State by a sales tax dealer located within a participating county or remitted to the State pursuant to Sections 202.18(1)(b) and (2)(b), Florida Statutes is required to be deposited in the Local Government Half-Cent Sales Tax Clearing Sales Tax Trust Fund in the State Treasury (the "Sales Tax Trust Fund"). The deposits in the Sales Tax Trust Fund are earmarked for distribution to the governmental units (the cities and the county government) of the county in which such sales tax was collected, provided such governmental units meet the eligibility requirements for revenue sharing pursuant to Section 218, Part IV, Florida Statutes, as amended.

The amount earmarked for distribution to governments within any county is referred to herein as the "Half-Cent Sales Tax Proceeds" of that county. The amount of such Half-Cent Sales Tax Proceeds to be distributed to a county is determined pursuant to a distribution formula described below. The distributions to the County are referred to herein as the "Local Government Half-Cent Sales Tax," which is a part of the Pledged Revenues. The Local Government Half-Cent Sales Tax is distributed to the County from the Sales Tax Trust Fund each month. The Local Government Half-Cent Sales Tax does not include any sales tax revenues which may be distributed to the County from

the Discretionary Sales Tax Clearing Trust Fund pursuant to Sections 212.054 and 212.055, Florida Statutes or any discretionary communications services tax imposed by the County on communications services pursuant to Section 202.19, Florida Statutes.

Chapter 218, Part VI, Florida Statutes, permits local governments to pledge their share of the Half-Cent Sales Tax Proceeds for the payment of principal and interest on any capital project.

Distribution Formula

The Half-Cent Sales Tax Proceeds collected within a county are distributed to the county government in accordance with the following formula:

$$\begin{array}{lcl} \text{The County's Share} & & \text{unincorporated area} \\ \text{(percentage of} & = & \text{population} \\ \text{total Half-Cent} & & \text{total county} \\ \text{Sales Tax Proceeds} & & \text{population} \\ \text{of that county)} & & \end{array} \quad \begin{array}{l} \text{2/3 incorporated} \\ \text{area population} \\ \text{2/3 incorporated} \\ \text{area population} \end{array}$$

For purposes of the foregoing, "population" is based upon the latest official State estimate certified prior to the beginning of the local government's fiscal year. The formula is changed by the State Department of Revenue on October 1 of each year based on revisions to population estimates prepared by the University of Florida, Bureau of Economic and Business Research. The percentage derived from the formula is then applied to the Half-Cent Sales Tax Proceeds for that fiscal year (beginning the October 1 on which the formula was changed). The formula as applied, resulted in the County receiving approximately 55.91% of the Half-Cent Sales Tax Proceeds available to be distributed to the County and its municipalities during the County's 2001-2002 fiscal year.

Eligibility

Pursuant to Section 218.23, Florida Statutes, to be eligible to receive the Local Government Half-Cent Sales Tax, the County must have: (a) reported on a timely basis its finances for its most recently completed fiscal year to the State Department of Banking and Finance; (b) made provision for annual post-audits of its financial accounts in accordance with provisions of law; (c) levied ad valorem taxes, exclusive of taxes levied for debt service or other special millage authorized by the voters, to produce the revenue equivalent to a millage rate of three mills on the dollar based on the 1973 taxable values as certified by the property appraiser or, in order to produce revenue equivalent to that which would otherwise be produced by such three-mill ad valorem tax, to have collected an occupational license tax or utility tax, or both of these taxes, in combination with the ad valorem tax; (d) certified compliance with certain statutory tax levy procedures; (e) certified compliance with standards for qualification for employment of law enforcement officers, minimum annual salary rate for full-time law enforcement officers and salary structure and salary plans for law enforcement officers; (f) certified compliance with standards for firefighters; and (g) certified that each dependent special district has met the audit requirements of state law. Failure to meet such eligibility requirements would cause the County to lose the right to receive the Local Government Half-Cent Sales Tax for 12 months following a "determination of non-compliance" by the State Department of Revenue.

The County has complied with all of the requirements set forth in Chapter 218, Part VI, Florida Statutes, including the filing of a certificate of compliance with the State Department of Revenue, which are necessary in order for the County to receive the Local Government Half-Cent Sales Tax during the 2002-2003 fiscal year. **[TO BE UPDATED: Although the County is not aware of any pending State legislation, there may be future amendments to Sections 218.23 or 218.63, Florida Statutes which may impose additional requirements of eligibility on participating cities and counties for distributions of Half-Cent Sales Tax Proceeds.]** To be eligible to receive the Local Government Half-Cent Sales Tax in future years, the County must comply with the eligibility requirements provided by applicable law. The County has covenanted in the Ordinance to take all lawful action necessary or required to remain an eligible recipient of the Local Government Half-Cent Sales Tax so long as any of the Series 2003 Bonds remain outstanding.

Historical Collections

The following tables set forth historical data relative to the collection of sales tax for the State and for Leon County.

Historical Sales Tax Collections

<u>June 30</u>	<u>State of Florida</u>	<u>Leon County</u>
1993	\$ 9,295,283,215	\$124,600,779
1994	9,928,924,704	137,198,790
1995	10,550,858,057	148,905,121
1996	11,362,706,215	159,157,896
1997	11,989,916,607	163,192,856
1998	12,944,936,819	170,342,842
1999	13,858,158,449	178,211,612
2000	14,933,807,688	191,973,785
2001	15,733,732,456	195,879,492
2002	15,985,431,641	196,457,014

Source: Leon County Finance Office and Florida Department of Revenue.

- ⁽¹⁾ Effective as of December 1, 1989 citizens of the County approved a local option 1% sales tax and effective as of January 1, 2003 citizens of the County approved a local option .5% sales tax, the revenues from which are not included in these figures.

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The historical receipts by the County of distributions of the Local Government Half-Cent Sales Tax since October 1, 1992 from the Sales Tax Trust Fund, are shown below:

Sales Tax Distributions to the County⁽¹⁾

<u>County Fiscal Year</u>	<u>Distributions of Half-Cent Sales Tax to County</u>
1992-93	\$6,496,209
1993-94	7,045,590
1994-95	7,600,962
1995-96	8,132,150
1996-97	8,350,981
1997-98	8,614,391
1998-99	9,136,281
1999-00	9,966,048
2000-01	10,158,821
2001-02	10,580,714

Source: Florida Department of Revenue.

⁽¹⁾ Actual receipts may be slightly greater due to timing of receipt vs. reporting.

Changes in Distributions

In each of the years 1998, 1999, 2000 and 2001, the State legislature enacted the Florida Residents' Tax Relief Act which provided that no tax levied under the provisions of Chapter 212, Part I, Florida Statutes, would be collected for a nine-day period from the end of July through the beginning of August on sales of clothing having a taxable value of \$50 or less in 1998 and \$100 or less in 1999, 2000 and 2001. For these purposes, "clothing" means any article of wearing apparel, including footwear, intended to be worn on or about the human body, not including watches, watchbands, jewelry, handkerchiefs or umbrellas. Although the State Legislature did not enact similar legislation in 2002, it is possible that similar legislation could be enacted in 2003 or future years. In addition, certain sales tax exemptions have been provided by the State Legislature from time to time on school supplies having retail value less than \$10.00.

Since 1978, the City of Tallahassee (the "City") has engaged in a program of annexation of portions of unincorporated Leon County. Notwithstanding the City's annexation program, the County does not anticipate any significant decrease in the Local Government Half-Cent Sales Tax revenues, because although the County's percentage share of the Local Government Half-Cent Sales Tax proceeds might decline, the County anticipates that total taxable sales in Leon County will generally increase more rapidly than the percentage share paid to the County would decline. The County has received approximately 55% of the total Half-Cent Sales Tax Proceeds distributed to local governments within the County for the last ten fiscal years ending September 30, 2002.

The total amount of sales tax collected within the County is subject to increase or decrease due to increases and decreases in the dollar volume of taxable sales within the County, which in turn, is subject to legislative changes which include or exclude from taxation sales of particular goods or services, or sales in excess of some particular amount, and changes in the dollar volume of purchases, which is affected by changes in population and economic conditions. See "APPENDIX B—General Information" for a discussion of the population and economic factors which have a bearing on sales tax collections in the County.

The State Legislature has amended Section 212.20, Florida Statutes from time to time to revise the percentage of the sales taxes collected on sales of tangible personal property in the State required to be distributed to the Sales Tax Trust Fund. **[TO BE UPDATED: Although the County is not aware of any pending legislation to modify that percentage or the percentage of the sales taxes collected on sales of communications services, there is no assurance that the State Legislature will increase such percentages in the future, nor is there any assurance that the State Legislature will not decrease such percentages in the future.]**

See also "PLEDGED REVENUES—'Other Considerations Regarding Pledged Revenues' and 'Limitation on State Revenues'" below.

Guaranteed Entitlement Revenues and Second Guaranteed Entitlement Revenues

General

Pursuant to the Florida Revenue Sharing Act of 1972, Chapter 218, Part II, Florida Statutes (the "Revenue Sharing Act"), the State Legislature created the Revenue Sharing Trust Fund for Counties (the "Revenue Sharing Trust Fund"). Section 212.20(6), Florida Statutes, as amended, currently provides after certain prior distributions to the State's general revenue fund, solid waste management trust fund and the Sales Tax Trust Fund, 2.25% of the proceeds of the sales tax imposed pursuant to Chapter 212, Florida Statutes and remitted to the State by a sales tax dealer located within a participating county sales tax or remitted to the State pursuant to Sections 202.18(1)(b) and (2)(b), Florida Statutes (described above under "Local Government Half-Cent Sales Tax—General") is remitted to the Revenue Sharing Trust Fund in the State Treasury. In addition, pursuant to Chapter 210, Part I, Florida Statutes, a state tax is levied on cigarette packages at varying rates, depending upon the length and number of cigarettes in a package. After deducting a service charge, 2.9% of the total tax revenue from cigarette tax collections is currently required by Section 210.20, Florida Statutes to be deposited in the Revenue Sharing Trust Fund.

Funding sources for the Revenue Sharing Trust Fund were modified effective July 1, 2000, as follows:

(1) Section 199.292(3), Florida Statutes was amended to repeal the distribution of intangible personal property taxes to the Revenue Sharing Trust Fund and Section 212.20(6)(d)(5) was enacted to substitute for it the distribution of 2.25% of the sales tax collections.

(2) Section 218.23(4), Florida Statutes now provides that no eligible unit of local government will be ineligible to participate in revenue sharing solely due to a millage or utility tax

reduction afforded by the local government half-cent sales tax.

The Revenue Sharing Act also creates a trust fund for municipalities to which, currently, a percentage of sales tax collections, state alternative fuel user decal fee collections and the net collections from the one-cent municipal fuel tax are deposited and distributed to municipalities in accordance with an allocation formula provided by law; however such trust fund and the distributions made therefrom are not described herein.

Distribution Formula

The Revenue Sharing Act sets forth criteria for participation in revenue-sharing, by counties, the method of distribution and a formula basis for apportionment of receipts available for distribution.

For counties, the apportionment factor is composed of three equally weighted portions: (a) the proportion of the population of a given county to the total population of all eligible counties in the State (inmates and residents residing in institutions operated by the Federal Government, the Department of Corrections, the Department of Children and Family Services and the Department of Health are not considered to be residents of the county in which the institutions are located for purposes of the foregoing); (b) the proportion of the unincorporated county area population of a certain county to the unincorporated county area population of all eligible counties in the state; and (c) the proportion of the total sales tax collections in the county during the preceding year to the total sales tax collections in all eligible counties during the preceding calendar year. Distributions are made to counties monthly from the Revenue Sharing Trust Fund.

For purposes of the Revenue Sharing Act, "Guaranteed Entitlement" means, with respect to counties, the amount of revenue which must be shared with eligible counties so that no eligible county will receive a lesser amount from the Revenue Sharing Trust Fund in any fiscal year than the amount received in the aggregate from the State in fiscal year 1971-1972 under the provisions of the then-existing Section 210.20(2)(c), Florida Statutes tax on cigarettes; the then-existing Section 323.16(4), Florida Statutes road tax; and the then-existing Section 199.292(4), Florida Statutes tax on intangible personal property.

For purposes of the Revenue Sharing Act, "Second Guaranteed Entitlement for Counties" means the amount of revenue received in the aggregate by an eligible county in fiscal year 1981-1982 under the provisions of the then-existing Section 210.20(2)(a) tax on cigarettes and the then-existing Section 199.292(4), Florida Statutes tax on intangible personal property, less the Guaranteed Entitlement.

The County's distribution of the "Guaranteed Entitlement" from the Revenue Sharing Trust Fund comprises the Guaranteed Entitlement Revenues included in the Pledged Revenues and the County's distribution of the "Second Guaranteed Entitlement for Counties" comprises the Guaranteed Entitlement Revenues included in the Pledged Revenues.

Section 218.25(1) and (2), Florida Statutes permits local governments to pledge their share of the Guaranteed Entitlement and the Second Guaranteed Entitlement for Counties to the payment of principal of and interest on bonds.

The funds remaining in the Revenue Sharing Trust Fund after the distribution of the Guaranteed Entitlement and Second Guaranteed Entitlement are referred to as "growth monies" that are further distributed to eligible counties. These growth monies are not included in Pledged Revenues.

Eligibility

The requirements that the County must meet to remain eligible to participate in revenue-sharing to receive the Guaranteed Entitlement Revenues and Second Guaranteed Entitlement Revenues are the same as those set out above to be eligible to receive the Local Government Half-Cent Sales Tax. The County has complied with all of the requirements set forth in Chapter 218, Part VI, Florida Statutes, including the filing of a certificate of compliance with the State Department of Revenue, which are necessary in order for the County to receive the Guaranteed Entitlement Revenues and the Second Guaranteed Entitlement Revenues during the 2002-2003 fiscal year. **[TO BE UPDATED: Although the County is not aware of any State pending legislation, there may be future amendments to Section 218.23, Florida Statutes which may impose additional requirements of eligibility on participating counties for distributions of the Guaranteed Entitlement and Second Guaranteed Entitlement for Counties.]** To be eligible to receive the Guaranteed Entitlement and Second Guaranteed Entitlement for Counties in future years, the County must comply with the eligibility requirements provided by applicable law. The County has covenanted in the Ordinance to take all lawful action necessary or required to continue to entitle the County to receive the Guaranteed Entitlement Revenues and the Second Guaranteed Entitlement Revenues so long as any of the Series 2003 Bonds remain outstanding.

Historical Collections

The following sets forth the receipts deposited into the Revenue Sharing Trust Fund, the amount of the Guaranteed Entitlement and Second Guaranteed Entitlement for Counties for all Florida counties and the ratio by which such receipts cover the total Guaranteed Entitlement and Second Guaranteed Entitlement for all Florida counties:

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State Of Florida
Revenue Sharing Trust Fund For Counties
Receipts Of Guaranteed Entitlement/Second Guaranteed Entitlement
State Fiscal Years Ended June 30

	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Cigarette Tax	\$11,875,417	\$10,494,872	\$12,117,511	\$11,149,461	\$11,229,107
Intangibles Tax*/Sales and Use Tax*	380,824,284	409,844,667	355,976,483	306,361,416	309,765,152
Total Receipts	\$392,699,701	\$420,339,539	\$368,093,994	\$317,510,877	\$320,994,259
Guaranteed Entitlements for all Florida Counties	\$95,086,330	\$95,086,330	\$95,086,330	\$95,086,330	\$95,086,330

* Intangibles tax was replaced effective as of July 1, 2000 with sales and use tax proceeds.
Source: State of Florida, Department of Revenue

The County's Guaranteed Entitlement Revenues are \$316,798 annually and the County's Second Guaranteed Entitlement Revenues are \$1,026,649 annually.

Changes in Distributions

The total amount of sales tax and cigarette taxes collected within the County and the State is subject to increase or decrease due to increases and decreases in the dollar volume of taxable sales within the County and the State, which in turn, is subject to legislative changes which include or exclude from taxation sales of particular goods or services, or sales in excess of some particular amount, and changes in the dollar volume of purchases, which is affected by changes in population and economic conditions. See "APPENDIX B—General Information" for a discussion of the population and economic factors which have a bearing on sales tax collections in the County.

[TO BE UPDATED: Although the County is not aware of any pending legislation to modify the percentage of sales tax or cigarette taxes deposited to the Revenue Sharing Trust Fund, there is no assurance that the State Legislature will increase such percentages in the future, nor is there any assurance that the State will not decrease such percentages in the future.] In addition, there is no assurance that the State will not change the sources of revenues that are deposited into the Revenue Sharing Trust Fund. See also "PLEDGED REVENUES—Other Considerations Regarding Pledged Revenues" and "Limitation on State Revenues" below.

Limitation on State Revenues

In November, 1994, the voters approved an amendment to the Florida Constitution (the "Amendment") to limit state revenues. This Amendment was placed before the voters by act of the Legislature (HJR 2053). It is a limit on the rate of growth in state revenues. If more revenue is collected than is permitted by this limit, it may not be spent, but must be deposited in the Budget

Stabilization Fund in the State Treasury unless the State of Florida Legislature, by two-thirds vote of both houses, decides to do otherwise. In any year, the revenue limit is determined by multiplying the average annual growth rate in Florida personal income over the previous five years by the maximum amount of revenue permitted under the cap in the previous year.

For purposes of the Amendment, "state revenue" is defined as taxes, licenses, fees and charges for services (but not for goods) imposed by the State Legislature on individuals, businesses or agencies outside of state government. The definition of state revenues includes the proceeds of lottery ticket sales. Exempt from the limitation, either implicitly, through the definition of revenue, or explicitly, through specific exemption, are the following items:

1. lottery receipts returned as prizes;
2. balances carried forward from prior years;
3. the proceeds of sales of goods (e.g., land, buildings, surplus property);
4. funds used for debt service and other payments related to debt;
5. state funds used to match federal money for *most of* Medicaid (see below);
6. receipts of the Hurricane Catastrophe Trust Fund; and
7. revenue required to be imposed by amendment to the Constitution after July 1, 1994.

The revenues of cities, counties, school districts and special districts are not subject to the revenue limitation. In particular, required local effort millage levied by school districts and local option taxes authorized by state law, but levied at the discretion of local governments, are not subject to the revenue limitation. However, state revenues, such as the motor fuel tax, cigarette tax and sales tax, which are levied and collected by the state and shared, in part, with local governments through a variety of statutory revenue sharing formulas, are subject to the revenue limitation.

State funds used to match federal money for Medicaid are partially exempt from the revenue limitation. A portion of the state money used to match federal Medicaid funds is taken from the Public Medical Assistance Trust Fund (PMATF), a fund originally established to provide matching money for discretionary Medicaid programs. A tax on hospitals, some cigarette tax money and an annual appropriation from the general fund provide the revenues for this fund. Since the reason for exemption Medicaid from the revenue limitation is that it is effectively a federal mandate and since the programs funded from the PMATF were, at least initially, voluntary, the revenues of the PMATF were made subject to the revenue limitation. However, other revenues used to match federal Medicaid money were exempted from the revenue limitation. Additionally, state matching funds for future expansions of the Medicaid program that may be voluntarily undertaken by the state will be subject to the revenue limitation.

The Constitution requires the legislature to pass procedures necessary to administer the revenue limitation. As of the date hereof, no such implementing legislation has been adopted.

It should be noted that many of the provisions of the Amendment are ambiguous and likely will not be clarified until Florida courts have ruled on their meaning. Further, it is unclear how the State of Legislature will implement the language of the Amendment and whether such implementing legislation itself will be the subject of further court interpretation. It is also unclear whether revenues from taxes imposed by the State, but earmarked by State law for distribution to local governments,

such as sales taxes and cigarette taxes and pledged to bonds, will be deemed to constitute "state revenues" for purposes of the Amendment. To the extent Pledged Revenues or any portion thereof constitute "state revenues" which are subject to and limited by the Amendment, the future distribution of increases in such Pledged Revenues or any portion thereof to the County may be adversely affected by the Amendment.

Other Considerations Regarding Pledged Revenues

Prior to, and in part, as a result of, the terrorist attacks on New York and Washington on September 11, 2001, the on-going war on terrorism and the hostilities in Iraq, the United States, including the State, has experienced an economic slowdown. This includes a slowdown in tourism to the State. The short- and long-term effect of these events on the collections of sales tax and cigarette taxes in the State cannot be predicted with certainty. In addition, the State is facing budget constraints stemming from reductions in revenue collections as a result of the economy, the need to expend funds to address the requirements of various constitutional amendments, including those related to reduced class size and the transfer of the substantial cost of funding the State courts system from the counties to the State, and other matters. **[TO BE UPDATED: As noted earlier, although the County is not aware of any pending legislation to impact the percentage of the sales tax or cigarette collections deposited to the Sales Tax Trust Fund or the Revenue Sharing Trust Fund, as applicable, or the source of revenues deposited to the Revenue Sharing Trust Fund, there is no assurance that the State Legislature will not reduce or cap the amount of Pledged Revenues available to the County.]**

Historical and Projected Debt Service Coverage on the Prior Bonds and the Bonds

The following table sets forth historical and projected debt service coverage on the Prior Bonds and the Bonds for the Fiscal Years indicated. It should be noted that: (i) Electric Franchise Fees were only included in Ancillary Revenues in Fiscal Years 1999 and 2000 and were not included in Ancillary Revenues for subsequent years, as the County ceased collecting the Electric Franchise Fees pledged to the Prior Bonds in 2001; (b) neither historical nor estimated receipts of Landfill Operating Revenues are included in Ancillary Revenues and investors in the Series 2003 Bonds should not expect Landfill Operating Revenues to be available as part of Ancillary Revenues available to pay debt service on the Prior Bonds; and (c) receipts of Ancillary Revenues (excluding the Electric Franchise Fees and Landfill Operating Revenues) for fiscal years 2003, 2004 and 2005 are conservative estimates based on historical receipts, however, receipts of each component of these Ancillary Revenues will vary from year to year and, accordingly, there can be no assurance that actual receipts will not be less than the estimated receipts for the years depicted or in future years. Reductions in the amount of Ancillary Revenues received in the current or any future fiscal year may adversely impact the coverage factor on the Parity Bonds and Series 2003 Bonds indicated in the table below.

LEON COUNTY, FLORIDA
DEBT SERVICE COVERAGE ON PRIOR BONDS, PARITY AND SERIES 2003 BONDS

	Actual 1999	Actual 2000	Actual 2001	Actual 2002	Estimated 2003	Estimated 2004	Estimated 2005
Pledged Revenues:							
Ancillary Revenues							
Local Government Half-Cent Sales Tax							
Guaranteed Entitlement							
Total Revenues Available for Senior Lien Debt	\$5,344,318	\$5,154,223	\$2,605,954	\$2,881,009	\$2,279,693	\$2,279,693	\$2,279,693
Combined Maximum Annual Debt Service for Senior Lien Debt (Series 1993 and 1997)	\$3,194,753	\$2,279,693	\$2,279,693	\$2,279,693	\$2,279,693	\$2,279,693	\$2,279,693
Senior Lien Debt Service Coverage	1.67x	2.26x	1.14x	1.26x	1.00x	1.00x	1.00x
Revenues Available for Junior Lien Debt							
Local Government Half Cent Tax	\$9,324,287	\$10,028,466	\$10,296,945	\$10,768,572	\$11,117,242	\$11,577,242	\$11,577,242
Guaranteed Entitlement	316,798	316,798	316,798	316,798	316,798	316,798	316,798
Second Guaranteed Entitlement	1,026,649	1,026,649	1,026,649	1,026,649	1,026,649	1,026,649	1,026,649
Total Revenues Available for Junior Lien Debt	\$10,667,734	\$11,371,913	\$11,640,392	\$12,112,019	\$12,460,689	\$12,920,689	\$12,920,689
Combined Maximum Annual Debt Service for Junior Lien Debt (Series 1998A, 1998B and Series 1999 and Estimated Series 2003)⁽¹⁾	\$6,786,424	\$6,786,424	\$6,786,424	\$6,786,424	\$7,872,288	\$7,872,288	\$7,872,288
Junior Lien Debt Service Coverage	1.57x	1.68x	1.72x	1.78x	1.58x	1.64x	1.64x

Source: Leon County, Florida Budget Department

Note: Revenues pledged to the Prior Bonds include Local Government Half-Cent Sales Tax, Guaranteed Entitlement and Ancillary Revenues. As noted above, Electric Franchise Fees are included in Ancillary Revenues only in Fiscal Years 1999 and 2000 and Landfill Operating Revenues are not included in Ancillary Revenues for any of the Fiscal Years depicted. Pledged Revenues for the Bonds are Local Government Half-Cent Sales Tax, Guaranteed Entitlement Revenues and Second Guaranteed Entitlement Revenues. Debt service on the Series 2003 Bonds is estimated based on an assumed aggregate original principal amount of \$20,410,000 and an assumed interest rate of 4.54% per annum for the Series 2003A Bonds and an assumed interest rate of 5.84% per annum for the Series 2003B Bonds.

MUNICIPAL BOND INSURANCE

[TO FOLLOW]

DEBT SERVICE SCHEDULE⁽¹⁾

<u>Date</u>	<u>Series 2003A Bonds</u>		<u>Series 2003B Bonds</u>		<u>Total Debt Service Parity Bonds</u>	<u>Total Debt Service Prior Bonds</u>	<u>Aggregate Debt Service</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>			
10/01/03	\$	\$	\$	\$	\$5,086,220	\$2,266,525	
10/01/04					5,074,928	2,278,725	
10/01/05					5,079,109	2,273,360	
10/01/06					5,077,426	2,274,343	
10/01/07					5,075,009	2,279,693	
10/01/08					6,781,696	569,718	
10/01/09					6,786,424	567,813	
10/01/10					6,783,571	569,813	
10/01/11					6,785,459	570,813	
10/01/12					6,785,296	570,413	
10/01/13					6,782,559	568,888	
10/01/14					6,783,546	570,788	
10/01/15					6,781,665	571,375	
10/01/16					6,782,975	570,650	
10/01/17					6,782,100	573,613	
10/01/18							
10/01/19							
10/01/20							
10/01/21							
10/01/22							
10/01/23							
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$93,227,983</u>	<u>\$17,078,525</u>	<u>\$</u>

⁽¹⁾ Annual debt service totals are based on April 1 and October 1 payments in each year.

LITIGATION

In the opinion of Herbert W.A. Thiele, Esquire, County Attorney for Leon County, except as described below, there is no pending litigation which would have any material effect upon the financial condition of the County. There is no litigation pending that seeks to restrain or enjoin the issuance or delivery of the Series 2003 Bonds or the proceedings or authority under which they are to be issued. There is no litigation pending that in any manner questions the right of the County to pledge the Pledged Revenues to repayment of the Series 2003 Bonds.

LEGALITY

Certain legal matters incident to the validity of the Series 2003 Bonds, including their authorization, issuance and sale by the County, are subject to the approval of Bryant, Miller and Olive, P.A., Tallahassee, Florida and Knowles, Marks & Randolph, P.A., Tallahassee, Florida, Co-Bond Counsel, whose approving opinion (in the form attached hereto as Appendix D) will be delivered at the closing of the Series 2003 Bonds. Certain legal matters will be passed on for the County by Herbert W.A. Thiele, Esquire, Tallahassee, Florida, County Attorney and for the Underwriters by Nabors, Giblin & Nickerson, P.A., Tallahassee, Florida.

ADVISORS AND CONSULTANTS

The Issuer has retained certain advisors and consultants in connection with the issuance of the Series 2003 Bonds. These advisors and consultants are compensated from proceeds of the Series 2003 Bonds; and in some instances, such compensation is contingent upon the issuance of the Series 2003 Bonds and the receipt of the proceeds thereof.

Financial Advisor

William R. Hough & Co., Naples, Florida, is serving as Financial Advisor to the County with respect to the sale of the Series 2003 Bonds. The Financial Advisor assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring and issuance of the Series 2003 Bonds and provided other advice to the County. William R. Hough & Co. will not engage in any underwriting activities with regard to the issuance and sale of the Series 2003 Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement and is not obligated to review or ensure compliance with the undertaking by the County to provide continuing secondary market disclosure. The fees of the Financial Advisor will be paid from proceeds of the Series 2003 Bonds and such payment is contingent upon the issuance of the Series 2003 Bonds.

Co-Bond Counsel

Bryant, Miller and Olive, P.A., Tallahassee, Florida and Knowles, Marks & Randolph, P.A., Tallahassee, Florida, represent the County as Co-Bond Counsel. The fees of Co-Bond Counsel will be paid from proceeds of the Series 2003 Bonds and such payment is contingent upon the issuance of the Series 2003 Bonds.

Disclosure Counsel

Ruden, McClosky, Smith, Schuster & Russell, P.A., Tallahassee, Florida, represents the County as Disclosure Counsel. The fees of Disclosure Counsel will be paid from proceeds of the Series 2003 Bonds and such payment is contingent upon the issuance of the Series 2003 Bonds.

TAX TREATMENT**General**

The Internal Revenue Code of 1986, as amended (the "Code") establishes certain requirements which must be met subsequent to the issuance and delivery of the Series 2003A Bonds in order that interest on the Series 2003A Bonds be and remain excluded from gross income for purposes of Federal income taxation. Non-compliance may cause interest on the Series 2003A Bonds to be included in Federal gross income retroactive to the date of issuance of the Series 2003A Bonds, regardless of the date on which such non-compliance occurs or is ascertained. These requirements include, but are not limited to, provisions which prescribe yield and other limits within which the proceeds of the Series 2003A Bonds and the other amounts are to be invested and require that certain investment earnings on the foregoing must be rebated on a periodic basis to the Treasury Department of the United States. The Issuer has covenanted in the Ordinance to comply with such requirements in order to maintain the exclusion from Federal gross income of the interest on the Series 2003A Bonds.

In the opinion of Co-Bond Counsel, assuming compliance with the aforementioned covenants, under existing laws, regulations, judicial decisions and rulings, interest on the Series 2003A Bonds is excluded from gross income for purposes of Federal income taxation. Interest on the Series 2003A Bonds is not an item of tax preference for purposes of the Federal alternative minimum tax imposed on individuals or corporations; however, interest on the Series 2003A Bonds may be subject to the alternative minimum tax when any Series 2003A Bond is held by a corporation. The alternative minimum taxable income of a corporation must be increased by 75% of the excess of such corporation's adjusted current earnings over its alternative minimum taxable income (before this adjustment and the alternative tax net operating loss deduction). "Adjusted Current Earning" will include interest on the Series 2003A Bonds. The Series 2003 Bonds and the interest thereon are exempt from taxation under the laws of the State of Florida, except as to estate taxes and taxes imposed pursuant to Chapter 220, Florida Statutes, as amended, on interest, income or profits on debt obligations owned by corporations, as defined therein.

Except as described above, Co-Bond Counsel will express no opinion regarding the Federal income tax consequences resulting from the ownership of, receipt or accrual of interest on, or disposition of Series 2003A Bonds. Prospective purchasers of Series 2003A Bonds should be aware that the ownership of Series 2003A Bonds may result in collateral Federal income tax consequences, including (i) the denial of a deduction for interest on indebtedness incurred or continued to purchase or carry Series 2003A Bonds, (ii) the reduction of the loss reserve deduction for property and casualty insurance companies by 15% of certain items, including interest on the Series 2003A Bonds, (iii) the inclusion of interest on the Series 2003A Bonds in earning of certain foreign

corporations doing business in the United States for purposes of a branch profits tax, (iv) the inclusion of interest on Series 2003A Bonds in passive income subject to Federal income taxation of certain Subchapter S corporations with Subchapter C earnings and profits at the close of the taxable year, and (v) the inclusion of interest on the Series 2003A Bonds in "modified adjusted gross income" by recipients of certain Social Security and Railroad Retirement benefits for purposes of determining whether such benefits are included in gross income for Federal income tax purposes.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE SERIES 2003A BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE BONDHOLDERS. PROSPECTIVE BONDHOLDERS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

During recent years legislative proposals have been introduced in Congress, and in some cases enacted, that altered certain Federal tax consequences resulting from the ownership of obligations that are similar to the Series 2003A Bonds. In some cases these proposals have contained provisions that altered these consequences on a retroactive basis. Such alteration of Federal tax consequences may have affected the market value of obligations similar to the Series 2003A Bonds. From time to time, legislative proposals are pending which could have an effect on both the Federal tax consequences resulting from ownership of Series 2003A Bonds and their market value. No assurance can be given that legislative proposals will not be introduced or enacted that would or might apply to, or have an adverse effect upon, the Series 2003A Bonds.

Series 2003B Bonds

Certain legal matters relating to the authorization and validity of the Series 2003B Bonds are subject to the approving opinion of Co-Bond Counsel. Interest on the Series 2003B Bonds is not excludable from gross income for Federal income tax purposes. Interest on a taxable bond will be included in the holder's income when it accrues or is received, in accordance with the holder's method of accounting for federal income tax purposes. Co-Bond Counsel's opinion will be limited to matters relating to authorization and validity of the Series 2003B Bonds and to the Florida tax status of interest thereon as described below.

In general, interest paid on the Series 2003B Bonds, original issue discount, if any, and market discount, if any, will be treated as ordinary income to a bondholder and principal payments will be treated as a return of capital. There may be federal income tax consequences, under current law, of holding and disposing of the Series 2003B Bonds. Prospective purchasers of the Series 2003B Bonds should consult their own tax advisors about federal, state and local tax consequences of owning and disposing of Series 2003B Bonds.

Tax Treatment of Original Issue Discount

Under the Code, the difference between the principal amount of the Bonds maturing in the years ____ and ____ through ____, and the initial offering price to the public, excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers, at which price a substantial amount of the Bonds of the same maturity was sold is

"original issue discount." Original issue discount will accrue over the term of such Bonds at a constant interest rate compounded periodically. A purchaser who acquires such Bonds in the initial offering at a price equal to the initial offering price thereof to the public will be treated as receiving an amount of interest excludable from gross income for federal income tax purposes equal to the original issue discount accruing during the period he holds such Bonds, and will increase his adjusted basis in such Bonds by the amount of such accruing discount for purposes of determining taxable gain or loss on the sale or other disposition of such Bonds. The federal income tax consequences of the purchase, ownership and redemption, sale or other disposition of the Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those above. Owners of such Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of interest accrued upon sale, redemption or other disposition of Bonds and with respect to the state and local tax consequences of owning and disposing of such Bonds.

Tax Treatment of Bond Premium

The Bonds maturing in years _____ through _____ will be offered at prices in excess of the principal amount thereof. Under the Code, the excess of the cost basis of a bond over the principal amount of the bond (other than for a bondholder who holds a bond as inventory, stock in trade, or for sale to customers in the ordinary course of business) is generally characterized as "bond premium." For federal income tax purposes, bond premium is amortized over the term of the bonds. A bondholder will therefore be required to decrease his basis in the Bonds by the amount of the amortizable bond premium attributable to each taxable year he holds such Bond. The amount of the amortizable bond premium attributable to each taxable year is determined on an actuarial basis at a constant interest rate compounded on each interest payment date. The amortizable bond premium attributable to a taxable year is not deductible for federal income tax purposes.

Holders of the Bonds maturing in years _____ through _____ should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the treatment of bond premium upon sale, redemption, or other disposition of such Bonds.

RATINGS

Moody's Investors Service and Fitch. are expected to assign ratings of "Aaa" and "AAA," respectively, to the Series 2003 Bonds with the understanding that upon delivery of the Series 2003 Bonds, a policy insuring the payment when due of the principal and interest thereon will be issued by the Insurer. Such ratings reflect the views of such organizations and an explanation of the significance of such respective ratings may be obtained only from Moody's Investors Service and Fitch. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies if, in their judgment, circumstances warrant. Any such downward revision or withdrawal of either of the ratings may have an adverse effect on the market price of the Series 2003 Bonds. For any additional description of ratings and their meanings, Moody's Investors Service and Fitch should be contacted.

CONTINUING DISCLOSURE

The Securities and Exchange Commission (the "Commission") has promulgated amendments to Rule 15c2-12 (the "Rule") under the Securities and Exchange Act of 1934, as amended, which prohibit underwriters from purchasing or selling municipal securities unless such underwriters have reasonably determined that the "issuer" and any "obligated persons" with respect thereto, have undertaken to provide continuing disclosure with respect to its securities, subject to certain exemptions.

The County has covenanted and will covenant, for the benefit of the Holders of the Series 2003 Bonds, including Beneficial Owners thereof, to deliver to a nationally recognized municipal securities information repository ("NRMSIR") and to the appropriate Florida information depository, if any, (a) certain financial information and operating data relating to the County ("Annual Information"), by June 30, in each year commencing June 30, 2004, and (b) the occurrence of certain material events, as described in the form of Continuing Disclosure Certificate attached hereto as Appendix F. The County has certified that it has not been in violation of the provisions of any continuing disclosure certificate delivered pursuant to the Rule.

BOOK-ENTRY SYSTEM

The following information appearing under this heading is based upon information furnished by DTC for inclusion in this Official Statement and neither the County nor the Underwriters have independently verified such information or make any representation as to the accuracy or the completeness thereof. The procedures utilized and services offered by DTC are a matter of agreement between DTC and its participants. There can be no assurances that the procedures described herein will always be executed or that such procedures will not be modified from time to time.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2003 Bonds. The Series 2003 Bonds will be issued as fully-registered bonds in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Bond will be issued for each series of the Series 2003 Bonds in the aggregate amount of such issue and will be deposited with DTC.

DTC has advised the County that it is a limited-purpose trust company organized under the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds securities that its participants (the "Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and

dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). The rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of Series 2003 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2003 Bonds on DTC's records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owners entered into the transaction. Transfers of ownership interest in the Series 2003 Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. **BENEFICIAL OWNERS WILL NOT RECEIVE CERTIFICATES REPRESENTING THEIR OWNERSHIP INTERESTS IN THE SERIES 2003 BONDS, EXCEPT IN THE EVENT THAT USE OF THE BOOK-ENTRY-ONLY SYSTEM FOR THE SERIES 2003 BONDS IS DISCONTINUED.**

To facilitate subsequent transfers, all securities deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Series 2003 Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2003 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2003 Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial

Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the Series 2003 Bonds are being redeemed, DTC's practice is to determine by lot the amount of interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent to vote with respect to the Series 2003 Bonds. Under its usual procedures, DTC mails an omnibus proxy to the County as soon as possible after the Record Date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2003 Bonds are credited on the Record Date (identified in a listing attached to the omnibus proxy).

Principal and interest payments on the Series 2003 Bonds will be made by the Paying Agent to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the

accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the County or the Paying Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payment to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants

DTC may discontinue providing its services as securities depository with respect to the Series 2003 Bonds at any time by giving reasonable notice to the County or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2003 Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository), in that event, Series 2003 Bond certificates will be printed and delivered.

DISCLOSURE REQUIRED BY FLORIDA BLUE SKY REGULATIONS

Section 517.051, Florida Statutes, and the regulations promulgated thereunder (the "Disclosure Act") requires that the County make a full and fair disclosure of any bonds or other debt obligations that it has issued or guaranteed and that are or have been in default as to principal or interest at any time after December 31, 1975 (including bonds or other debt obligations for which it has served on as a conduit issuer such as industrial development or private activity bonds issued on behalf of private businesses). The County is not and has not ever been in default as to principal and interest on its bonds or other debt obligations.

UNDERWRITING

The Series 2003 Bonds are being purchased by A.G. Edwards & Son, Inc. and Jackson Securities, LLC (the "Underwriters") at an aggregate discount of \$_____ (which represents an original issue discount of \$_____ and an underwriters' discount of \$_____) from the initial public offering prices set forth on the cover page of this Official Statement. The Underwriters' obligations are subject to certain conditions precedent, and they will be obligated to purchase all of the Series 2003 Bonds if any Series 2003 Bonds are purchased. The Series 2003 Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2003 Bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by the Underwriters.

FORWARD-LOOKING STATEMENTS

This Official Statement contains certain "forward-looking statements" concerning the County, including projected debt service coverage on the Prior Bonds, Parity Bonds and Series 2003 Bonds. These statements are based upon a number of assumptions and estimates which are subject to significant uncertainties, many of which are beyond the control of the County. The words "may," "would," "could," "will," "expect," "anticipate," "believe," "intend," "plan," "estimate" and similar expressions are meant to identify these forward-looking statements. Actual results may differ

materially from those expressed or implied by these forward-looking statements

ACCURACY AND COMPLETENESS OF OFFICIAL STATEMENT

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2003 Bonds, the security for the payment of the Series 2003 Bonds and the rights and obligations of the holders thereof.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Series 2003 Bonds.

The Appendices hereof are integral parts of this Official Statement and must be read in their entirety together with all foregoing statements.

AUTHORIZATION OF OFFICIAL STATEMENT

This Official Statement, and its execution and delivery, has been duly authorized and approved by the County. Concurrently with the delivery of the Series 2003 Bonds, the undersigned will furnish their certificates to the effect that, to the best of their knowledge, this Official Statement did not as of its date, and does not as of the date of delivery of the Series 2003 Bonds, contain any untrue statement of a material fact or omit to state a material fact that should be included herein for the purposes for which this Official Statement is to be used, or which is necessary in order to make the statements contained herein, in light of the circumstances in which they are made, not misleading.

LEON COUNTY, FLORIDA

By: _____
Chairman
Board of County Commissioners

By: _____
County Administrator

APPENDIX A

**AUDITED FINANCIAL STATEMENTS FOR THE
FISCAL YEAR ENDED SEPTEMBER 30, 2002**

APPENDIX B

GENERAL INFORMATION CONCERNING LEON COUNTY, FLORIDA

History of Tallahassee and Leon County

Leon County, originally part of Escambia County and later a part of Gadsden County, was created by the Territorial Legislature in 1824. Named for Ponce De Leon, Leon County was one of the most populous and prosperous counties in ante-bellum Florida.

Tallahassee, named for the "old fields" that it once encompassed, earned the title early in the 16th century from the Apalachee Indians who inhabited the area. Legend says that the final spelling was chosen by Octavia Walton, daughter of the territorial governor of Florida. Today, Tallahassee exemplifies not only the influence of the Indian, but also that of the Spanish, French and English who occupied the area in succession.

The City of Tallahassee, the county seat and only incorporated city in Leon County, was established in 1825, following a decision by the legislature to locate the capital of the new Florida Territory midway between the population centers of St. Augustine and Pensacola.

Location

Leon County, nestled among the rolling hills of northwest Florida, is located in the center of the eight-county "Big Bend" area. Geographically, Tallahassee is close to both the Gulf of Mexico, a mere twenty miles to the south, and to Georgia, fourteen miles to the north.

Physiography

Leon County's rolling landscape, typical of regions further north, is unique among the major cities of Florida. Some areas of the county, including the downtown ridge encompassing the Capitol complex, City Hall, and the County Courthouse, exceed elevations of 200 feet. The highest elevation in Leon County is 288 feet, found in the northern part of the county, about ¼ mile to the southwest of Lake McBride. To the south of the city the hills yield to the flat terrain that is typical throughout the peninsula of Florida. The northern portion of Leon County consists of a thick layer of sand, silt, and clay overlying limestone formations, while most of the southern area is characterized by flat, sandy lowlands.

Natural Resources

The marketable natural resources of Leon County are not numerous, but the few that are present are plentiful. Limestone, a necessary ingredient for the production of concrete, is found throughout the northwestern portion of Florida. Kaolin clay exists in considerable amounts and has proven to be a valuable resource. The abundance of trees and timber is a resource uncommon to many other areas of the state. The beauty of the local trees is exemplified in Maclay Gardens State

Park which is the site of several of Florida's champion trees including the flowering Dogwood, the Hawthorn tree, the Horsesugar tree, the Sweetbay Magnolia, and the Silverbell tree. These trees and others, including the great Live Oak, often extend their branches over the roadway to create a canopied effect, a feature which is held in high esteem by local residents and visitors.

Six roads within Leon County (Old Bainbridge, Meridian, Centerville, Miccosukee, Old St. Augustine, and Sunny Hill) have been officially designated as "canopied roads" and enjoy limits on roadside development, serving to protect the trees.

Leon County possesses excellent wildlife reserves located in the hilly terrain north of Tallahassee and in the Apalachicola National Forest to the south. The hunter can take his pick of quail, turkey, duck, geese, squirrel and whitetail deer. Numerous lakes are available for freshwater fishing including Lake Jackson, Lake Talquin, Lake Iamonia, and Lake Miccosukee.

Climate

Leon County has the mild, moist climate characteristic of the Gulf States, and experiences a subtropical summer similar to the rest of Florida. In contrast to the Florida peninsula, however, the panhandle, of which Tallahassee is a part, experiences four seasons. Prevailing winds average 6.5 miles per hour and are from a southerly direction in the spring and summer, then shift toward a more northerly direction later in the year. Leon County's annual average temperature and rainfall are shown below:

Temperature and Rainfall

Annual Average Temperature	67.2 Degrees
Annual Average Rainfall	63.5 Inches

Government

Leon County

In November 2002, the citizens of Leon County approved a Home Rule Charter providing for local self-governance. The Charter and State Law provide that the Board of County Commissioners consists of seven members, five of whom are elected within districts, with the remaining two elected at-large. Each Commissioner is elected to a four-year term with the position of Chairperson selected annually on a rotating basis.

Elected Officials

Elected Officials include the Board of County Commissioners, the Judiciary, the State Attorney, Public Defender and five Constitutional Officers: the Clerk of the Court, the Property Appraiser, the Sheriff, the Supervisor of Elections and the Tax Collector. Constitutional Officers are elected to administer a specific function of County government and are directly accountable to the public for its proper operation. The Board funds all or, in some cases, a portion of the operating

budgets of the other elected officials. With the exception of the Supervisor of Elections, the Constitutional Officers maintain separate accounting systems.

Role of the County Administrator

The County Administrator is appointed by the Board of County Commissioners and is responsible for carrying out the directives and policies of the Board. The County Administrator is also responsible for the management and supervision of all functions and personnel under the Board of County Commissioners.

Appointed Boards and Committees

Leon County has a number of appointed Boards and Committees that serve in an advisory capacity to the Board of County Commissioners. In addition, the Board appoints a number of committees that serve as quasi-legal bodies. The following is a partial list of these committees: Architectural Review Board, Code Enforcement Board, Contractors Licensing and Examination Board, Educational Facilities Authority, Parks and Recreation Advisory Team, Neighborhood Recognition Committee, Planning Commission, and the Tourist Development Council.

Budget Process

The County annually adopts an operating budget with a five year operating budget and a five-year capital improvement program or which the first year becomes the approved capital budget. The remaining four years of the capital improvement program provide guidance to the Commission and administration for planning purposes and is reviewed and revised as priorities and needs change.

The adoption of a balanced budget before the beginning of the budget year is the responsibility of the Commission and is governed by Florida Statutes 129 and 200. The County Administrator is charged by the Commission with the responsibility of developing and proposing a budget for Commission consideration. The County's Office of Management and Budget, under the direction of the County Administrator, prepares and administers the operating and capital budgets. The Board has varying degrees of control and authority over other Elected Officials budget requests and budget implementation.

Annual budgets for the governmental fund types are adopted on a basis consistent with generally accepted accounting principles. Budgets are not adopted for the fiduciary funds. The legal level of budgetary control is at the fund level; however, budgets are monitored at varying levels of detail.

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Property Taxes

<u>Taxing Authority</u>	<u>Millage Rate</u>	<u>Where Tax Is Applied</u>
City of Tallahassee	3.20	Within City limits only
Leon County		
General Property Tax	8.56	Anywhere in Leon County
Primary Health Care Tax	0.06	Anywhere in Leon County
Fire Protection and Services	1.29	In the unincorporated portions of Leon County only
Leon County School Board	9.61	Anywhere in Leon County
Downtown Improvement Authority	1.00	In the Downtown area only
NW Fla. Water Mgt. District	0.05	Anywhere in Leon County

Note: Millage rates are effective as of October 1, 2002.

County-Wide Taxable Property Values

<u>Fiscal Year</u>	<u>Real Property Assessed Value⁽¹⁾</u>	<u>Personal Property Assessed Value⁽¹⁾</u>	<u>Centrally Assessed Property Value⁽²⁾</u>	<u>Total Assessed Property Value⁽¹⁾</u>	<u>Total Exemptions and Adjustments⁽¹⁾</u>	<u>Total Taxable Value⁽¹⁾</u>
1993	8,022,413,541	1,219,514,110	5,714,573	9,247,642,224	4,471,956,511	4,775,685,713
1994	8,512,189,098	1,248,196,578	5,972,917	9,766,358,593	4,558,791,129	5,207,567,464
1995	9,741,542,073	1,520,773,779	6,252,264	11,268,568,116	5,735,022,670	5,533,545,446
1996	10,250,111,134	1,546,622,343	6,096,670	11,802,830,147	5,854,043,991	5,948,786,156
1997	10,710,373,515	1,592,742,366	6,396,715	12,309,512,596	5,959,148,773	6,350,363,823
1998	11,391,904,713	1,631,483,462	10,555,033	13,033,943,208	6,212,618,415	6,821,324,793
1999	11,829,614,688	1,735,614,116	8,929,705	13,574,158,509	6,310,776,918	7,263,381,591
2000	12,321,062,970	1,793,545,211	9,908,713	14,124,516,894	6,402,595,228	7,721,921,666
2001	12,840,579,939	1,834,504,102	8,941,681	14,684,025,722	6,454,586,274	8,229,439,448
2002	13,613,042,834	1,776,856,827	7,575,192	15,397,474,853	6,654,927,372	8,742,547,481

Notes: (1) Source: Leon County Property Appraiser

(2) Centrally assessed property consists of railroad and telegraph systems which are assessed by the State of Florida.

Population

The presence of the State Capital and two major universities helps to shape Leon County's population as relatively young, well educated, and affluent. A median age of 29.5 years ranks Leon County as the second youngest county in Florida (Tallahassee, with a median age of 26.3 is Florida's youngest city), while our education level is the highest in the state. Leon County's relative wealth is depicted by a median family income of \$52,962 (2000 Census) which ranks 7th highest of the 67 Florida counties and is 16% greater than the state median. The new 2000 Census figures show a racially diverse community, with minorities accounting for 33% of the population, with African-Americans making up 30% of Leon County.

Population Growth, Past And Future

<u>Year</u>	<u>Tallahassee</u>	<u>Leon County</u>	<u>Florida</u>
1930	10,700	23,476	1,468,211
1940	16,240	31,646	1,897,414
1950	27,237	51,590	2,771,305
1960	48,174	74,225	4,951,560
1970	72,624	103,047	6,791,418
1980	81,548	148,655	9,746,324
1990	124,773	192,493	12,937,926
2000	150,624	239,452	15,982,378
2002	156,703	248,039	16,607,051
2010	174,000	278,300	18,866,700
2020	197,100	317,700	21,792,600
2030	215,200	348,700	24,528,600

Sources: 1930-2000 - U.S. Department of Commerce, Census Bureau

2002-2030 - Leon County: University of Florida, Bureau of Economic and Business Research

Tallahassee: Planning Dept., assuming continued annexations.

Median Income/Poverty Rates

<u>Median Incomes; Poverty Rates</u>	<u>Tallahassee</u>	<u>Uninc. County</u>	<u>Leon County</u>	<u>Florida</u>	<u>United States</u>
Per Capita Income	\$18,981	\$24,488	\$21,024	\$21,557	\$21,587
Household Income	\$30,571	\$50,604	\$37,517	\$38,819	\$41,994
Family Income	\$49,359	\$57,232	\$52,962	\$45,625	\$50,046
Persons Poverty	24.7%	8.1%	18.2%	12.5%	12.4%
Families Poverty	12.6%	5.7%	9.4%	9.0%	9.2%

Source: 2002 Tallahassee-Leon County Planning Department Statistical Digest

Education

Leon County residents have historically attained a very high level of education. According to the 2000 Census, 89.1% of area residents aged 25 or older had attained at least a high school degree, while 41.7% had completed at least four years of college, making Leon County the most highly educated county in Florida. This high level of education can be attributed to the employment requirements for the State of Florida as well as to the presence of three institutions of higher learning: Florida State University, Florida A&M University, and Tallahassee Community College.

Enrollment Figures For Institutes Of Higher Education

<u>Year</u>	<u>Florida State University</u>	<u>Florida A&M University</u>	<u>Tallahassee Community College</u>
1960	9,019	2,961	---
1970	17,188	4,500	2,100
1980	21,965	5,246	3,663
1985	21,474	4,919	5,289
1990	27,427	8,411	9,679
1995	30,268	10,395	10,101
2000	34,500	12,202	11,207
2001	35,462	12,376	11,609

Sources: FSU, FAMU and TCC Registrars' Offices (Fall semester figures)

Employment

Government employment, particularly State employment, has historically been a source of stability for the local economy, providing citizens with an economic environment which historically has been insulated from national economic trends. Representing 36% of all employment in Leon County, government employment has helped to keep unemployment rates substantially below the State of Florida and the United States average as shown in the table below. Recognizing the need to diversify the area's economy, however, the local government and the Chamber of Commerce are intensifying efforts to attract additional employers to the area and to assist the expansion of existing local businesses.

Average Annual Unemployment Rate

<u>Year</u>	<u>Leon County</u>	<u>Florida</u>	<u>United States</u>
1995	2.8	5.5	5.6
1996	2.8	5.1	5.4
1997	2.8	4.8	4.9
1998	2.8	4.3	4.5
1999	2.5	3.9	4.2
2000	2.3	3.6	4.0
2001	2.6	4.3	4.8

Source: State of Florida, Department of Labor and Employment Security; Bureau of Labor Market Information

The twelve largest employers in Leon County as of February 2000 are shown in the following table:

**Leon County
Major Employers**

<u>Employer</u>	<u>Approximate Employment</u>
1) State of Florida	27,087
2) Florida State University	11,658
3) Leon County School Board	4,500
4) Tallahassee Memorial Healthcare, Inc.	3,700
5) Florida A & M University	3,312
6) City of Tallahassee	2,898
7) Publix Supermarkets	2,065
8) Leon County	1,662
9) Governor's Square Mall	1,500
10) Tallahassee/Leon County Civic Center	1,036
11) McKenzie Tank Lines, Inc.	950
12) Tallahassee Community College	747

Source: Tallahassee Chamber of Commerce.

Employment by Industry

<u>Industry</u>	<u># Employees 1992</u>	<u>% Labor Force</u>	<u># Employees 2001</u>	<u>% Labor Force</u>
Government	53,000	42.2%	59,400	37.3%
Services/Misc.	28,400	22.6	47,900	30.1
Retail Trade	22,843	18.2	27,100	17.0
Finance/Insur/RE	5,100	4.1	6,300	4.0
Construction	5,200	4.1	6,200	3.9
Wholesale Trade	3,657	2.9	4,600	2.9
Manufacturing	4,400	3.5	4,100	2.6
Trans/Comm/ Public Utilities	3,100	2.5	3,800	2.4
TOTAL	125,700	100.0	159,400	100.0

Import/Export of Jobs

Leon County is a net importer of workers from surrounding counties. According to the 1990 Census, 59% of workers living in Wakulla County (to our south) worked in Leon County. In Jefferson County (to our east) the figure was 39%, while 37% of workers living in Gadsden County (to our west) worked in Leon County. Conversely, of all Leon County residents with a job in 1990, only 5% of them worked outside of Leon County.

The list below shows the residence of workers that are employed in Leon County:

Leon County	85%
Gadsden County	5%
Wakulla County	4%
Jefferson County	2%
Other Florida Counties	3%
Out-of-State	2%

Income Characteristics

Due to the nature of government and university employment, which call for a high percentage of professional and white collar employees, Leon County enjoys relatively high income levels, especially when compared to surrounding counties. Leon County also has the highest percentage of females in the workforce of any county in Florida, which also helps contribute to higher income levels.

Median Family Incomes Of Surrounding Counties, Florida And The U.S.

<u>County</u>	<u>1999</u>
Calhoun	\$32,848
Franklin	\$31,157
Gadsden	\$36,238
Jefferson	\$40,407
Leon	\$52,962
Liberty	\$34,244
Madison	\$31,753
Taylor	\$35,061
Wakulla	\$42,222
Brooks, Ga.	\$32,382
Decatur, Ga.	\$32,635
Grady, Ga.	\$34,253
Thomas, Ga.	\$39,239
FLORIDA	\$45,625
UNITED STATES	\$50,046

Source: U.S. Department of Commerce, 2000 Census data

Cost Of Living

In a year 2001 comparison of the 67 Florida counties, Leon ranked 15th most expensive in

terms of costs of goods and services in five categories (food, apparel, housing, transportation, and health, recreation, and personal services), with a Price Level Index of 97.00. This means that an amount of goods and services that costs \$100.00 in the State of Florida would cost \$97.00 in Leon County.

Source: The Florida 2001 Price Level Index, Florida Department of Education, Office of Budget and Management.

Economic Opportunities

In an effort to help diversify the employment base of our community, the Economic Development Council (EDC) was formed in 1992. The EDC, which receives both private and public funding, focuses on Tallahassee's economic advantages and emphasizes the retention and expansion of existing businesses as well as the recruitment of new companies in business and financial services, education, technology, light manufacturing, distribution, and health care. Recently, the EDC has joined with six neighboring counties to form the Capital Regional Economic Development Partnership in an effort to broaden the area's opportunities for business recruitment. Both the EDC and the Regional Partnership have been successful in helping existing businesses and in recruiting new businesses to the area.

Retail Sales Activity

The chart below shows the annual increases in taxable retail sales activity for the Tallahassee MSA and the State of Florida since 1990. During the first half of the decade, Tallahassee generally met or exceeded the retail growth level of Florida, but has been well below the State from 1996 forward. In the year 2001 this trend began to change, with the last six months of this recessionary year showing a 2.5% growth for Tallahassee, compared to only a 0.6% growth for the State of Florida. In the first half of 2002 retail sales have increased by less than one-tenth of one percent for Tallahassee while the State of Florida has seen a decrease of 3.1% during this time period.

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Taxable Retail Sales (Sales In Billions)

<u>Year</u>	<u>Leon County</u>	<u>Florida</u>
1990	\$1.9	\$134.0
1991	\$1.9	\$133.2
1992	\$2.1	\$145.3
1993	\$2.3	\$156.8
1994	\$2.5	\$167.4
1995	\$2.6	\$177.4
1996	\$2.8	\$191.0
1997	\$2.9	\$203.1
1998	\$3.0	\$217.2
1999	\$3.2	\$236.0
2000	\$3.3	\$252.8
2001	\$3.4	\$256.6

Commercial Development

During 2001 and the first half of 2002 commercial development has increased significantly, with 2001 value over \$100 Million for the first time ever and with almost \$100 Million value of commercial construction in just the first six months of 2002. Some highlights of this increased commercial development are described below:

- New medical facilities have accounted for much of the commercial boom. Several major facilities, totaling over 440,000 square feet, are currently under construction including the new Tallahassee Community Hospital (to replace the smaller, existing hospital) and the Bixler Emergency Center at Tallahassee Memorial Hospital. In addition, plans for more than 400,000 square feet of additional medical facilities are currently under review.
- Over ½ million square feet of "big box" retail have either recently opened or are currently under construction. Over half of this space is represented by two stores located on Capital Circle Northwest, including the recently constructed Lowe's and Home Depot.
- For a more complete picture of projects under development, please see page 25 of the Tallahassee-Leon County Statistical Digest for the status and location of the largest developments (commercial and residential) in our community.

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Commercial Building Permits
(values listed in millions of dollars)

<u>Year</u>	<u>Number Of Permits</u>	<u>Value Of Permits</u>	<u>Permit Value In 2001 Dollars</u>
Average, 1980 - 1984	134	\$28.9	\$51.8
Average, 1985 - 1989	182	\$51.6	\$77.1
Average, 1990 - 1994	65	\$32.3	\$40.2
1995	101	\$35.9	\$40.6
1996	107	\$60.7	\$66.6
1997	115	\$70.2	\$75.4
1998	145	\$71.1	\$75.1
1999	144	\$84.3	\$87.1
2000	119	\$78.7	\$78.7
2001	140	\$123.5	\$123.5

Source: Tallahassee and Leon County Building Inspection offices.

Note: Figures include private, new construction only.

Residential Development

During the first half of 2002 the number of multi-family units permitted has lagged behind the trend for recent years. With several projects currently being reviewed we expect this figure to increase by the end of the year to more closely match previous years' activity. Single family permits are continuing on pace with historic levels, while mobile home permits are down, possibly due to record-low mortgage rates, making traditional housing more affordable. Some trends in residential development include:

- Detached single-family homes remain the most popular type of housing in Leon County, representing 47% of all units permitted since 1990 and 59% of all constructed (non-mobile homes) housing units. This type of housing is particularly popular in the northern and eastern portions of the community.
- The number of multi-family and attached single family housing permits fluctuates greatly from year to year. The popularity of this type of housing is tied closely to vacancy rates, the economic outlook, tax laws, university growth and speculative interests. Multi-family housing has traditionally been constructed near the urban core,

but has been moving outward during the 1990's, particularly toward the northwest, northeast, and east.

- Mobile home permits, after exhibiting a relatively steady 20% of total permits for years, fell to only 13% of all residential permits in 2001. Mobile homes on acreage and in subdivisions are more popular in the southern and western portions of the community.

Residential Building Permits
(values listed in millions of \$)

<u>Year</u>	<u>Number of Units Permitted</u>	<u>Value of Permits</u>	<u>Permit Value in 2001 Dollars</u>
Average, 1980-1984	2,657	\$96.5	\$179.6
Average, 1985-1989	2,917	\$135.5	\$207.0
Average, 1990-1994	2,667	\$165.6	\$209.2
1995	3,547	\$227.3	\$264.1
1996	2,538	\$201.3	\$227.2
1997	2,854	\$199.5	\$220.1
1998	2,318	\$189.1	\$205.5
1999	2,504	\$216.6	\$230.3
2000	2,489	\$214.0	\$220.1
2001	2,696	\$247.9	\$247.9

* Includes only mobile homes located in subdivisions or on acreage.

Does not include permits issued for mobile home parks, which tend to be replacement units.

** Prior to 1980, permits for attached single family homes were included with detached single family homes.

APPENDIX C

THE ORDINANCE

APPENDIX D

FORM OF CO-BOND COUNSEL OPINION

APPENDIX E

FORM OF BOND INSURANCE POLICY

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE